



The next generation of pharma.

**BIOMIND LABS INC.**

**515 – 701 W. Georgia Street  
Vancouver, British Columbia  
V7Y 1C6**

**CSE FORM 2A**

**LISTING STATEMENT**

**August 7, 2026**

**This Listing Statement is intended to provide full, true and plain disclosure about the Issuer. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement. There are risks involved with an investment in Biomind Labs Inc. as described herein.**

## NOTE TO READER

This Listing Statement incorporates by reference:

- the annual information form of Biomind Labs Inc. (the “**Issuer**”) dated and filed on SEDAR+ on March 31, 2026 (the “**AIF**”);
- the management information circular of the Issuer dated January 2, 2026 and filed on SEDAR+ on January 14, 2026 (the “**MIC**”);
- the audited annual consolidated financial statements of the Issuer for the year ended December 31, 2025, dated and filed on SEDAR+ on March 31, 2026 (the “**2025 Financial Statements**”);
- the annual management's discussion & analysis of the Issuer for the year ended December 31, 2025, dated and filed on SEDAR+ on March 31, 2026 (the “**2025 MD&A**”);
- the interim unaudited condensed consolidated financial statements of the Issuer for the three months ended March 31, 2026, dated and filed on SEDAR+ on May 15, 2026 (the “**Q1 2026 Financial Statements**”); and
- the interim management's discussion & analysis of the Issuer for the three months ended March 31, 2026, dated and filed on SEDAR+ on May 15, 2026 (the “**Q1 2026 MD&A**”, and collectively with the AIF, MIC, 2025 Financial Statements, 2025 MD&A, and Q1 2026 Financial Statements, the “**Continuous Disclosure Documents**”).

Certain sections of the form of Listing Statement have been included following the Continuous Disclosure Documents, to provide additional disclosure, as required by the Canadian Securities Exchange.

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This table provides the corresponding section to page numbers between the Canadian Securities Exchange Form 2A Listing Statement and the Issuer's AIF filed under the Issuer's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)), a copy of which is attached hereto as Appendix "A".

| Item | Information Required by Form 41-101F1            | Corresponding Item(s) in the Continuous Disclosure Document(s)                     | Continuous Disclosure Page Number |
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## APPENDIX A

ANNUAL INFORMATION FORM DATED MARCH 31, 2026



The next generation of pharma.

**BIOMIND LABS INC.**

**ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

March 31, 2026

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## GENERAL

In this annual information form (this “AIF”) unless otherwise noted or the context indicates otherwise, references to the “Company”, “Biomind”, “we”, “us” and “our” refer to Biomind Labs Inc. and its affiliates and subsidiaries.

All financial information in this AIF is prepared in Canadian dollars and using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Unless otherwise noted herein, this AIF applies to the business activities and operations of the Company for the year ended December 31, 2025. Unless otherwise indicated, the information in this AIF is given as of March 31, 2026.

All dollar amounts in this AIF are expressed in United States dollars, except as otherwise indicated. References to “CAD\$” are to Canadian dollars.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF, and in certain documents incorporated by reference in this AIF, constitute forward-looking information and forward-looking statements within the meaning of Canadian securities legislation (“**forward-looking statements**”). All statements other than statements of historical fact contained in this AIF and in documents incorporated by reference in this AIF, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Company participates or is seeking to participate, and any statements preceded by, followed by or that include the words “consider”, “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “budget”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should”, “objective”, “assumes” or similar expressions or the negative thereof, are forward-looking statements.

These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements 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. **The Company has negative working capital, and is currently subject to a review of the Cboe’s continued listing requirements. Achievement of the Company’s business objectives and milestones is dependent, among other things, upon the Company’s ability to secure sufficient working capital to carry out its business activities.** Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*” and in other documents incorporated by reference in this AIF. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this AIF and in documents incorporated by reference in this AIF are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this AIF and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this AIF and in documents incorporated by reference in this AIF are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies, and the Company’s ability to operate on a profitable basis.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

Risks related to the Company's financial position:

- going concern risk;
- limited operating history;
- clinical-stage neuropharmaceutical company with history of losses since inception;
- the availability of financing on reasonable terms;
- additional capital requirements;

Risks related to the Company's business and industry:

- BVI regulatory, criminal and civil proceedings;
- early stage of the industry and product development;
- limited product scope;
- limited marketing and sales capabilities;
- no assurance of commercial success;
- lack of commercialization experience of novel pharmaceuticals based on psychedelic molecules;
- achieving publicly announced milestones;
- market access and acceptance;
- unfavourable publicity or consumer perception;
- social media;
- biotechnology and pharmaceutical market competition;
- decriminalisation of psychedelics;
- enforcing contracts;
- business expansion and growth;
- reliance on key executives and scientists;
- liability arising from fraudulent or illegal activity;
- conflicts of interest;
- operating risk and insurance coverage;
- emerging market risks;
- foreign operations;
- dependence on foreign subsidiaries;
- Brazilian political and economic conditions;
- risks inherent in foreign investment in Brazil;
- effects of Inflation;
- estimates or judgments relating to critical accounting policies;
- use of artificial intelligence technologies;

Risks related to regulatory compliance:

- products subject to controlled substance laws and regulations;
- nature of regulatory approvals;
- continued regulatory review and obligations;

Risks related to clinical development:

- reliance on third parties for clinical development activities;
- risks related to third party relationships;
- safety and efficacy of products;
- reliance on contract manufacturers;
- clinical testing and commercializing product candidates;
- clinical trial publications;

- completion of clinical trials;
- later stage clinical trials failure;
- negative results of external client trials or studies;

Risks related to intellectual property:

- reliance on patents and other intellectual property rights;
- patent litigation;
- invalid or unenforceable patents;
- compliance with procedural requirements;
- trade secrets;
- trademark protection;
- intellectual property litigation costs;
- intellectual property rights may fail to protect competitive advantage;
- employee patent claim liability;
- intellectual property rights of third parties;
- obtaining or maintaining necessary rights for current or future therapeutic candidates through acquisitions and in-licenses;
- patent law reforms;
- difficulties securing jurisdictional intellectual property rights;
- economic substance requirements;

Risks related to the Common Shares:

- substantial number of authorized but unissued Common Shares;
- dilution;
- trading market for Common Shares;
- significant sales of Common Shares;
- volatile market price for Common Shares;
- tax issues;
- discretion over the use of proceeds;
- no dividends;
- enforcement of legal rights;

Although the forward-looking statements contained in this AIF are based upon what management currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. In particular, the Company has made assumptions regarding, among other things:

- statements with respect to the anticipated number, timing, nature, results and other characteristics relating to existing and proposed clinical trials;
- the Company's ability to complete clinical trials;
- the Company's go-to-market strategy;
- the anticipated benefits of psychotropic molecules;
- the anticipated market for psychotropic pharmaceutical products;
- the Company's intention and ability to out-license pharmaceutical products;
- the proposed production of pharmaceutical grade treatments;
- the Company's intention to develop production facilities;
- the anticipated benefits of operating in Brazil;
- permitting timelines and regulatory approvals;
- government regulations;
- anticipated use of proceeds;

- expectations regarding revenue, expenses and operations;
- anticipated cash needs and needs for additional financing;
- ability to attract and retain personnel;
- competitive position and its expectations regarding competition; and
- the continued listing of the Common Shares.

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 in 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 AIF and the documents incorporated by reference herein contain 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.

In addition to the factors set out above and those identified under the heading "*Risk Factors*" in this AIF, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although the Company 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.

**Many of these factors are beyond the Company's ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect the Company. The Company may note additional factors elsewhere in this AIF and in any documents incorporated by reference into this AIF. All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, the Company undertakes no obligation to update any forward-looking statement.**

**The forward-looking statements contained in this AIF and the documents incorporated by reference herein are expressly qualified in their entirety by the foregoing cautionary statement.** Investors should read this entire AIF and any documents incorporated by reference herein and consult their own professional advisers to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

## **MARKET AND INDUSTRY DATA**

Market and industry data contained and incorporated in this AIF concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Company believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions upon which projections of future trends are based. While the Company is not aware of any misstatements regarding the industry data presented herein, the Company's estimates involve risks and uncertainties and are subject to change based on various factors,

including those discussed under “*Cautionary Note Regarding Forward-Looking Information*” and “*Risk Factors*”.

## REGULATORY

The Company sponsors research and development on psychedelic molecules and is focused on developing and commercializing psychedelic-derived regulated medicines.

The Company does not deal with psychedelic substances except indirectly within laboratory and clinical trial settings conducted within approved regulatory frameworks in order to identify and develop potential treatments for medical conditions and, further, does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates.

The Company oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Company’s senior executives and the employees responsible for overseeing compliance, the Company has local counsel engaged in every jurisdiction in which it operates. See “*Compliance Program*”. Additionally, the Company has received legal opinions or advice in local jurisdictions where it currently operates regarding (a) compliance with applicable regulatory frameworks and (b) potential exposure and implications arising from applicable laws in jurisdictions where the Company has business operations or intends to operate.

For these reasons, the Company may be (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities, (b) susceptible to regulatory changes or other changes in law, and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Company. See “*Risk Factors*” herein.

No product will be commercialized prior to applicable legal or regulatory approval. The Company makes no medical, treatment or health benefit claims about the Company’s proposed products. The efficacy of such products has not been confirmed by approved research. There is no assurance that the use of psychedelic compounds can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Company has not completed clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy and safety of potential products do not imply that the Company verified such in clinical trials or that the Company will complete such trials. If the Company cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company’s performance and operations.

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

The Company was incorporated on March 29, 2005 in the Province of Alberta pursuant to the *Business Corporations Act* (Alberta) (the “**ABCA**”) under the name “Master Mines and Metals Inc.” and had undergone subsequent name changes pursuant to filed articles of amendment as follows: (i) on April 19, 2005, from “Master Mines and Metals Inc.” to “Master West Resources Inc.”; (ii) on April 27, 2005, from “Master West Resources Ltd.” to “Masthead Resources Ltd.” and (iii) on January 17, 2006, from “Masthead Resources Ltd.” to “C.A. Bancorp Inc.”. On June 13, 2005, the Company filed articles of amendment to remove its private company restrictions. On September 22, 2014, the Company filed articles of amendment to change its name from “C.A. Bancorp Inc.” to “Crosswinds Holdings Inc.” (“**Crosswinds**”).

The Company's common shares (the "**Common Shares**") were listed for trading on the Toronto Stock Exchange (the "**TSX**") on September 26, 2014, and on March 28, 2019 the Common Shares were de-listed from the TSX in connection with the completion of the Monetization Event (described and defined below, see "*General Development Of the Business – History of Crosswinds*").

In connection with the completion of the reverse takeover of Crosswinds (the "**Reverse Takeover**") by Biomind Research Corp. ("**Biomind Research**") in July 2021, pursuant to articles of amendment and continuance filed on July 14, 2021, Crosswinds consolidated its outstanding common shares on the basis of one new Common Share for each 32.5 Common Shares outstanding (the "**Consolidation**") and changed its name to "*Biomind Labs Inc.*", and effective July 15, 2021, the Company continued out from under the ABCA into the Province of Ontario under the *Business Corporations Act (Ontario)* (the "**OBCA**"). Following the completion of the Reverse Takeover, the Common Shares were listed for trading on the Cboe Canada Inc. (the "**Cboe**") on July 28, 2021 under the symbol "BMND".

The Reverse Takeover constituted a "reverse takeover" of the Company by Biomind Research within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations*, with Biomind Research as the reverse takeover acquirer and the Company as the reverse takeover acquiree, under applicable securities laws and for accounting purposes under IFRS.

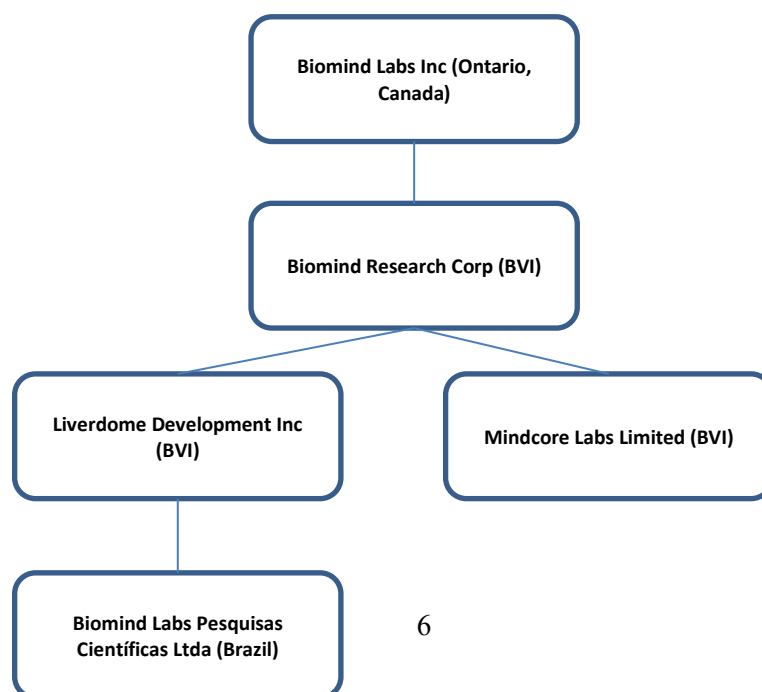
Upon completion of the Reverse Takeover, the Company continued the business of Biomind Research, being a biotech research and development company aimed at transforming biomedical sciences knowledge into novel pharmaceutical drugs and innovative nanotech delivery systems for a variety of psychiatric and neurological conditions.

For additional information in respect of the Reverse Takeover and related matters, see "*General Development of the Business – The Reverse Takeover*".

The Company has an office address at Suite 515 – 701 West Georgia Street, P.O. Box 10068 Pacific Centre, Vancouver, B.C. V7Y 1C6. The Company's registered office is 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9.

## Intercorporate Relationships

As at December 31, 2025, and the date of this AIF, the Company's corporate structure includes the following material wholly-owned subsidiaries:



Biomind Labs UK Limited, formerly a wholly owned subsidiary of the Company, was dissolved on July 23, 2024 on the basis that it was inactive and not required for the Company's operations going forward.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **Summary of the Business**

The Company 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, the Company 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. The Company's current development focus is on fast-acting psychedelic molecules given the challenges in creating adequate clinical protocols to provide patients with access to affordable and modern day psychedelic treatments.

### **History of the Company**

At the time of the completion of the Reverse Takeover with Biomind Research in July 2021, Crosswinds did not conduct any active business operations and all former operating entities had been dissolved. At the time of the completion of the Reverse Takeover, Crosswinds' sole asset was cash.

Prior to the cessation of business operations and dissolution of its remaining operating subsidiaries in 2019, Crosswinds was a private equity firm and asset manager that targeted strategic and opportunistic investments in the financial services sector with a particular focus on the insurance industry. In 2018, the board of directors of Crosswinds unanimously resolved, having regard to Crosswinds' available resources and opportunities, that it was in the best interests of Crosswinds to (i) sell its major primary insurance investment in Monarch National Insurance Company, a joint venture established with Federated National Holding Company and Transatlantic Reinsurance Company, and (ii) distribute all of its available capital (less a reasonable reserve for liabilities and contingencies) to its shareholders and to dissolve Crosswinds (the “**Monetization Event**”). Crosswinds' shareholders approved the Monetization Event in September 2018.

The Monetization Event was affected by way of a plan of arrangement and, on October 29, 2018, approximately CAD\$17.5 million in aggregate was distributed to the Crosswinds shareholders. In connection with giving effect to the Monetization Event, Crosswinds dissolved a number of its subsidiaries associated with previous investments.

During the fourth quarter of 2018, Crosswinds AUM LLC, a wholly-owned Delaware subsidiary, withdrew its registration as an investment advisor with the U.S. Securities and Exchange Commission. Crosswinds Re, liquidated its remaining investments and was dissolved during the second quarter of 2019. On July 7, 2021, Crosswinds' interest in Crosswinds AUM, LLC were transferred to a third party for nominal consideration.

As a result of the completion of the Monetization Event, Crosswinds no longer met the continued listing requirements of the TSX, and on March 28, 2019, the Common Shares were delisted from the TSX.

On July 23, 2021, Crosswinds completed the Reverse Takeover and continued the business of Biomind Research, see “*General Development of the Business – History of Biomind Research*”, and – “*The Reverse Takeover*”.

## **History of Biomind Research**

Biomind Research was incorporated on November 9, 2020 in the British Virgin Islands (“**BVI**”) pursuant to the provisions of the *BVI Business Companies Act* (Territory of the Virgin Islands) (the “**BVI Act**”).

Biomind Research has three wholly-owned subsidiaries, Liverdome Development Inc. (BVI) (“**Liverdome**”), formed under the BVI Act on December 23, 2020, Mindcore Labs Limited (BVI) (“**Mindcore**”), formed under the BVI Act on November 9, 2020 and Biomind Labs Pesquisas Científicas Ltda. (Brazil) (“**BLP**”), formed under the Brazilian Corporation Law (no. 6.404 of December 15, 1976) on June 23, 2021.

Liverdome’s operations in Brazil are conducted via Raras Brasil Pesquisa Clinica Ltda. (“**Raras**”) pursuant to a services agreement dated December 23, 2020 (the “**Raras Service Agreement**”) under which Raras has agreed to provide clinical trial services, research and other services and will take carriage of the full clinical development, regulatory and preclinical studies for the Molecules in Brazil. In connection with the clinical trials in Brazil, BLP was incorporated as a Brazilian entity in order to act as a sponsor for the clinical trials conducted in Brazil, as required in the jurisdiction.

Mindcore’s operations in Uruguay are focused on research and development and consist of investigating the mechanisms of action of the Molecules, extracting and purifying the active pharmaceutical ingredient (“**API**”), synthesizing the APIs, and developing novel formulation prototypes and drug delivery systems.

On November 13, 2020 and November 23, 2020, Biomind Research issued an aggregate of 50,000,000 ordinary shares (the “**Biomind Research Shares**”) to Union Group Ventures Ltd. (“**Union Ventures**”) for the settlement of research and development expenses previously incurred by Union Ventures for and on behalf of Biomind Research.

On December 9, 2020, Biomind Research issued 10,000,000 Biomind Research Shares to a non-related party for \$2,000,000.

On December 30, 2020, Biomind Research acquired all of the issued and outstanding shares of Liverdome for an aggregate of 9,625,000 Biomind Research Shares and \$2,000,000 in cash. As a result of such acquisition, subject to customary exclusions, all data and information generated or derived by Raras as the result of services performed became the exclusive property of Biomind Research. Further, any inventions that may evolve from the data and information derived therefrom or as the result of services performed by Raras under its agreement with Liverdome belongs to Biomind Research.

On April 28, 2021, Liverdome executed a Science and Clinical Consultancy Agreement with Dr. Draulio Barros de Araujo to provide services as Scientific and Clinical Advisor for a monthly payable fee of \$10,000, and for a term of three years.

On May 18, 2021, Liverdome started a preclinical investigational trial on a psychedelic formulation based in DMT, derived from Ayahuasca, with the aim at providing information about safety and efficacy of one Liverdome’s drug candidate before testing it in humans.



On July 23, 2021, Biomind Research completed the reverse takeover of Crosswinds and continued as a wholly-owned subsidiary of Crosswinds, now the Company, listed on the Cboe, see “*General Development of the Business – The Reverse Takeover*”.

### **The Reverse Takeover**

On February 19, 2021, Crosswinds, Biomind Research and Crosswinds’ principal shareholder entered into an arm’s length binding definitive agreement, as amended and extended effective May 18, 2021 (together, the “**Definitive Agreement**”), pursuant to which Crosswinds would complete the acquisition of all of the outstanding Biomind Research Shares.

On May 14, 2021, Crosswinds shareholders approved at a special meeting, conditional upon the completion of the Reverse Takeover, (i) the election of the proposed directors of the Company; (ii) the adoption of a new stock option plan, see “*Description of Capital Structure – Options*”, (iii) the Continuance into the Province of Ontario; and (iv) the Consolidation, see also “*Corporate Structure – Name, Address and Incorporation*”.

On July 9, 2021, in connection with the completion of the Reverse Takeover, Biomind Research completed a brokered subscription receipt financing (“**Biomind Subscription Receipt Financing**”) pursuant to an agency agreement (“**Agency Agreement**”), issuing 4,420,647 subscription receipts (the “**Biomind Subscription Receipts**”) at a price of CAD\$1.40 per Biomind Subscription Receipt for aggregate gross proceeds of CAD\$6,188,906. The gross proceeds of the Biomind Subscription Receipt Financing, less 50% of the cash commission payable to the agent and certain reasonable costs and expenses of the agent, were deposited into escrow until the satisfaction of certain release conditions, including the satisfaction of all conditions precedent to the completion of the Reverse Takeover (the “**Release Conditions**”). Each Biomind Subscription Receipt entitled the holder thereof to receive, upon satisfaction of the Release Conditions and without payment of any additional consideration or further action, one Common Share for each Biomind Subscription Receipt held. Pursuant to the terms of the Agency Agreement, the agent received a cash fee of CAD\$353,473.93 (inclusive of certain advisory fees) and 180,343 compensation warrants (the “**Compensation Warrants**”), with each Compensation Warrant being exercisable into one Common Share at CAD\$1.40 per share until July 9, 2023.

On July 14, 2021, Crosswinds filed articles of amendment to: (i) consolidate the Common Shares on the basis of 32.5 pre-consolidation Common Shares for one (1) post-consolidation Common Share; and (ii) change its name to “Biomind Labs Inc.”.

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 OBCA.

On July 23, 2021, the Reverse Takeover was completed by way of a merger (the “**Merger**”) pursuant to a plan of merger and articles of merger (the “**Plan of Merger**”) under the *BVI Business Companies Act 2004* (British Virgin Islands) between Biomind Research and a wholly-owned subsidiary of Crosswinds (“**Crosswinds SubCo**”) formed for the purposes of giving effect to the Merger. Pursuant to the Plan of Merger, Biomind Research and Crosswinds SubCo were merged, with Biomind Research continuing following the Merger, and which resulted in the “reverse takeover” of Crosswinds by the shareholders of Biomind Research.

Upon the satisfaction of the Release Conditions on July 23, 2021, each Biomind Subscription Receipt was converted into one Biomind Research Share without payment of any additional consideration or further action on the part of the holder thereof. At the effective time of the Merger, each Biomind Research Share

then outstanding was exchanged for one Common Share. Following the completion of the Reverse Takeover, the Company continued the business of Biomind Research.

Pursuant to the Merger and in connection with the completion of the Reverse Takeover, Crosswinds issued a total of 74,045,647 Common Shares in exchange for all of the outstanding Biomind Research Shares, including those issued upon conversion of the Biomind Subscription Receipts.

On July 28, 2021, the Common Shares were listed for trading on the Cboe under the symbol “BMND”.

### **Developments of the Company Subsequent to the Reverse Takeover**

On August 11, 2021, the Company announced the filing of a patent application with the United States Patent and Trademark Office relating to the Company’s proprietary technology on labelled DMT and an associated method for a personalized treatment of neurological and psychiatric disorders. See *“Description of the Business – Intellectual Property – Patents”*.

On August 18, 2021, the Company announced that it had received authorization from the Brazilian Institutional Review Board (the “**IRB**”) to commence a Phase II Investigational Clinical Trial (as defined herein) on DMT for treatment resistant depression (“**TRD**”) in partnership with the Federal University of Rio Grande do Norte in Brazil (the “**UFRN**”). On September 30, 2021, the Company submitted a second Phase II Investigational Clinical Trial to the IRB, which has since received authorization. The Investigational Clinical Trials (both Phase II which are focused on in-vivo human studies), each will have 40 patients with TRD, and are focused on (i) a formulation for intramuscular administration, and (ii) a formulation for inhaled administration.

On September 28, 2021, the Company announced the filing of an international patent application relating to its DMT product candidates. See *“Description of the Business – Intellectual Property – Patents”*.

On October 29, 2021, the Company completed the preclinical trial on its BMND07 candidate with the results showing that it is physiologically safe, has low acute oral toxicity, and has no mutagenic effect.

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 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 February 17, 2022, the Company announced that its Common Shares had commenced trading on the OTCQB® Venture Market under the symbol “CRSWF”. The Company was subsequently removed from the OTCQB in connection with the cease trade order issued in 2024.

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

On February 25, 2022, the Company entered into an agreement 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.

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

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

On April 26, 2022, the Company announced that it commenced dose administration of the first subject in a Phase I/IIa clinical trial of BMND01.

On May 24, 2022, the Company entered into a research and development contract with Hadasit Medical Research Services and Development Ltd.<sup>1</sup> Israel, to test the potential antidepressant benefit of an alternative 5-MeO-DMT dose schedule in Company’s BMND08 formulation.

On May 26, 2022, the Company announced that it received authorization from the Argentinian IRB for a Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for treatment of depression and anxiety in patients with Alzheimer’s-type cognitive impairment.

On August 10, 2022, the Company entered into a R&D agreement with MIXI, a service provider from The Nuclear Research Center of University of Republic (“UdelaR”), Uruguay, related to in vitro cytotoxicity and expression studies of one of the Company’s molecules.

On August 25, 2022, ANVISA approved the import of mescaline to be used in the Pre-clinical – Commercial Clinical Trial for BMND06.

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 the Company’s novel formulations to treat depression, specifically TRD.

On September 19, 2022, the FDA granted a written response and opened a PIND file for the Company, the PIND number assigned was 163758. On September 23, 2022, the Company submitted its briefing package to the FDA.

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.

On October 25, 2022, the FDA provided its written response opinion, granting the Company IND clearance related to the NCE Triptax™.

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<sup>1</sup> Hadasit is a wholly owned subsidiary of Hadassah Medical Organization (“HMO”).

On November 04, 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. The trial has involved a dose exploration schedule ranging from 5 to 100 mg.

On December 28, 2022, the Company announced that it successfully completed the development of a novel sublingual formulation to be used in the Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease.

On March 31, 2023, the Company announced that it successfully completed the optimization of a new extraction method to increase the purity and yield of DMT.

On April 25, 2023, the Company announced that it commenced the Investigational New Drug Clinical Trial for its proprietary 5-MeO-DMT-based BMND08 candidate.

On June 07, 2023, the company received a preliminary report with very promising results regarding the formulation and its safety in HV.

In August 2023, the Company received the final report related to in vitro cytotoxicity and expression studies of mescaline, carried out in Sociedade Beneficente Israelita Brasileira Hospital Albert Einstein.

On September 14, 2023, the Company announced that it successfully completed the organic synthesis scheme of 5-MeO-DMT. This organic synthesis enables the efficient production of 5-MeO-DMT freebase. This process ensures high purity and maintains the compound's integrity, making it suitable for pharmaceutical applications.

In November 2023, the Company received the final report related to acute and chronic toxicity of mescaline in Wistar rats. In both intravenous and oral administration, mescaline showed temporary and mild effects on behaviour as soon as it was administered but showed no signs of toxicity in any of the studies carried out.

On December 17, 2023, the Company received a preliminary report with promising results regarding the sublingual formulation in patients with depression and anxiety.

On February 9, 2024, Fraser Buchan resigned as a director of the Company.

In March 2024, the Company published the results of the Phase I trial of its novel drug candidate BMND01 for TRD in the journal *European Neuropsychopharmacology* (DOI: 10.1016/j.euroneuro.2023.12.006). The title of the article is: "Safety and tolerability of inhaled N, N-Dimethyltryptamine (BMND01 candidate): A phase I clinical trial"

On March 01, 2024, the Company announced unprecedented positive results of Phase 2 clinical trial of BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. Clinical findings support the safety and efficacy of BMND08 at a maximum dosage of 12mg. Throughout the trial, 100% of the participants responded to treatment and 100% were in remission from depression, anxiety, and stress by the end of the treatment period.

On April 8, 2024, the Company's shares were cease traded for failure to file the financial statements for the year ended December 31, 2023 by the required filing deadline. The Company subsequently filed the required financial statements and trading in the Company's shares resumed on June 4, 2024.

On July 2, 2024, the Company issued 2,769,572 common shares of the Company to Union Group Ventures Limited (“UGV”), upon the conversion of \$332,191 in principal and accrued interest of the Credit Facility, at a price of \$0.12 (CAD\$0.162) per share.

On July 17, 2024, following new and unexpected findings from a clinical study of its proprietary compound 3,4,5-trimethoxyphenethylamine-based BMND06, the Company announced the decision to advance a new Phase II clinical trial, focusing on obesity. The preclinical studies provided robust scientific evidence supporting the safety and anti-inflammatory efficacy of the active pharmaceutical ingredient of BMND06, which justified advancing to a Phase II New Drug Clinical Trial in humans, focusing on obesity, without the need for preclinical assays.

In December 2024, the Company registered both trials on [www.clinicaltrials.gov](http://www.clinicaltrials.gov). The first was titled “Safety, Tolerability, and Efficacy of Sublingual Microdoses of 5-MeO-DMT for Depression and Anxiety (5-MeO-DMT)” ([NCT06816667](https://clinicaltrials.gov/ct2/show/study?term=NCT06816667&rank=1)) and the second was titled “Efficacy of Sublingual 5-MeO-DMT for Reducing Anxiety and Depression in MCI (5-MeO-DMT)” ([NCT06812221](https://clinicaltrials.gov/ct2/show/study?term=NCT06812221&rank=1)).

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, Union Group Ventures Limited (“UGV”), and Synbio Powerlabs Oy (“Synbio”), both related parties, whereby the Company transferred equipment with a net book value of \$17,834 to Synbio in exchange for settlement of \$89,875 in principal amount of the Credit Facility due to UGV.

On April 4, 2025, the Company’s shares were cease traded for failure to file the financial statements, corresponding management’s discussion & analysis and officers’ certificates, and annual information form for the year ended December 31, 2024 by the required filing deadline. While the cease trade order remained in effect, the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the three-month period ending March 31, 2025, Form 51-102F6 Statement of Executive Compensation, the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the six-month period ending June 30, 2025, and the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the nine-month period ending September 30, 2025, came due on May 15, 2025, May 20, 2025, August 14, 2025, and November 14, 2025, respectively (collectively with the 2024 annual reporting requirements, the “**Continuous Disclosure Documents**”). The Continuous Disclosure Documents were subsequently filed by the Company, and the Ontario Securities Commission revoked the April 4, 2025 cease trade order on November 25, 2025. Trading in the Company’s shares resumed on December 1, 2025.

In July 2025, the Company published the results of the Phase I trial of its novel drug candidate BMND08 for depression and anxiety in the journal Neuropsychopharmacology (DOI: <https://doi.org/10.1038/s41386-025-02167-3>). The title of the article is: “Safety and tolerability of multiple sublingual microdoses of 5-MeO-DMT in adults with moderate symptoms of depression and/or anxiety: a randomized, double-blind, placebo-controlled study”.

On November 18, 2025, Scott Ackerman was appointed as a director of the Company.

On December 3, 2025, the Company announced advancements in the development of BMND08, transitioning the program on BMND08 into FDA-directed activities using the Company’s nano-formulation drug-delivery platform, which is designed to support commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

### **Developments of the Company Subsequent to Period End**

On March 5, 2026, the Cboe initiated a delisting review of the Company due to its non-compliance with Cboe’s continuous listing requirements as set out in section 3.01(3) of Cboe’s Listing Manual (the

“Delisting Review”). The Company has been given until June 4, 2026 in order to submit and execute on a remediation plan that satisfactorily addresses all non-compliance matters (the Company is required to meet at least one of the following criteria: a) shareholder’s equity of at least CAD\$2,500,000, b) net income from continuing operations of at least CAD\$375,000, c) market value of its listed securities of at least CAD\$25,000,000, or d) assets and revenue of at least CAD\$5,000,000 each). Absent satisfactory resolution of the non-compliance matters, the securities of the Company will be delisted at the conclusion of the review period (June 4, 2026).

## DESCRIPTION OF THE BUSINESS

The Company 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, the Company is developing novel pharmaceutical formulations of the Molecules for the treatment of a wide range of therapeutic indications. The Company’s focus is to enable patients’ access to affordable and modern-day treatments.

### Psychedelics

Psychedelics act to stimulate 5HT<sub>2A</sub> receptors in the brain resulting in a profound alteration of normal brain signaling and processing, creating what is generally referred to as a “psychedelic experience” or an “altered state of consciousness.” Under psychedelics, the brain “escapes” from its usual tightly constrained and predictable patterns of operation, with a global increase in connectivity brain regions and brain networks. Often, this can allow patients new introspective insights about their past behavior, memories, actions, feelings and beliefs. Psychedelic therapy combined with psychotherapy can lead to improvements in conditions relating to depression, post-traumatic stress disorder (“PTSD”) and addiction, which are often a result of dysfunctional brain processing.<sup>2</sup>

Psychedelics are a class of drug whose primary action is to trigger psychedelic experiences via serotonin receptor agonism, causing thought, visual and auditory changes, and altered state of consciousness. Psychedelic compounds can be divided into three main families: (i) tryptamines such as DMT, 5-MeO-DMT and psilocybin; (ii) phenethylamines such as mescaline and MDMA (3,4 Methylenedioxymethamphetamine); and (iii) ergolines such as LSD (lysergic acid diethylamide).

The Company intends to research and sponsor clinical trials on the efficacy of the Molecules as they relate to the following indications:<sup>3</sup>

- TRD;
- fibromyalgia and chronic pain;
- addictive disorders;
- major depressive disorder (“MDD”);

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<sup>2</sup> Nutt D, Erritzoe D, Carhart-Harris R. *Psychedelic Psychiatry’s Brave New World*. Cell. 2020;181:24-8 (available at [https://www.cell.com/cell/pdf/S0092-8674\(20\)30282-8.pdf](https://www.cell.com/cell/pdf/S0092-8674(20)30282-8.pdf))

<sup>3</sup> 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.

- Alzheimer's disease; and
- inflammation disorders.

DMT is an indole alkaloid found endogenously in various plant species, as well as animals including rats and humans. It provides the principal psychedelic in the Amazonian decoction, ayahuasca. The Company believes that DMT possesses a number of benefits compared to other tryptamine compounds. This includes a short psychedelic experience with a duration of less than 30 minutes comparative to other psychedelic compounds including psilocybin whose duration of experience typically lasts six hours<sup>4</sup>, LSD typically lasts 10 hours<sup>5</sup> and ayahuasca 4-6 hours<sup>6</sup>. The significant reduction in experience duration provides greater practical applicability to deliver the psychedelic treatment in a supervised real-world clinical setting.

DMT is a serotonergic psychedelic that exerts its effects through serotonergic receptors in the brain including 5-HT<sub>2A</sub>, 5-HT<sub>1A</sub>, 5-HT<sub>2C</sub> and 5-HT<sub>7</sub> receptors, among others. Because the effects of DMT do not last very long, it becomes a good candidate to treat TRD.<sup>7</sup> DMT effects are thought to be principally mediated through activation of 5HT<sub>2A</sub>R 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.<sup>8</sup>

5-MeO-DMT is orally active when taken with a monoamine oxidase inhibitor ("MAOI"). Without the aid of a MAOI, 5-MeO-DMT must be administered at doses above 30mg to be orally active.<sup>9</sup> This makes optimizing the formulation of 5-MeO-DMT a particularly important part of development. The Company is in the process of developing prototype formulations of synthetic 5-MeO-DMT with different excipients and has started the chemical synthesis of 5-MeO-DMT; Good Laboratory Practices compliant protocols and procedures have already been completed.

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-HT<sub>2A</sub> receptor with high affinity.<sup>10</sup>

The Company expects to develop and distribute psychedelic medicines and other products, subject to receipt of all necessary approvals. The Company expects to do so through research and development ("R&D") of novel chemical compounds and study of such compounds in clinical trials in Brazil and Argentina. The Company plans to grow its pipeline of psychedelic products inspired medicines through its internal R&D, internal proprietary discovery program, mergers and acquisitions, joint ventures and collaborative development agreements. The Company anticipates that as these programs mature patent applications will be filed and more details about these programs will be disclosed at such time.

## Significant Programs

<sup>4</sup> <https://www.healthline.com/health/substance-use/lsd-vs-shrooms#duration>.

<sup>5</sup> Ibid.

<sup>6</sup> <https://blog.retreat.guru/ayahuasca-vs-mushrooms>.

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.

Currently, 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 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 consists of both (i) investigational clinical trials conducted to study the efficacy and safety of 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 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 Trials", "Phase I" and "Phase II" studies relate to studies conducted under Commercial Clinical Trials unless the context specifies otherwise.

The Company has conducted 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 are able to 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 directly 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*".

Toxicity testing in Investigational Clinical Trials of new compound formulations 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. The FDA requested toxicological studies to be carried out, which must be done prior to starting Phase I in the U.S. and/or Europe. Different laboratories are currently being evaluated where these studies can be carried out.<sup>11</sup>

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:

- 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

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<sup>11</sup> 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.

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<br><br>Inhaled route of administration: March 9, 2022                                                                                                                                                                                                                                          | Phase I/IIa – Investigational New Drug Clinical Trial completed. Further trials are currently on hold.           |
| BMND02         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold                     |
| BMND03         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND05         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies – Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND06         | Pre-Clinical trials are not required to be approved by the IRB<br><br>ANVISA approved the import of mescaline on August 25, 2022, to be used in the Pre-clinical – Commercial Clinical Trial.<br><br>ANVISA approved the release of the mescaline retained in Customs on October 6, 2022, to be used in the Pre-clinical – Commercial Clinical Trial. | Pre-clinical – Commercial Clinical Trial completed. Further trials are currently on hold.                        |
| BMND07         | Pre-Clinical trials are not required to be approved by the IRB                                                                                                                                                                                                                                                                                        | Pre-Clinical trial completed. Further trials are currently on hold.                                              |
| BMND08         | Received Argentinian IRB approval on May 26, 2022.<br><br>ANMAT approved the import of BMND08 on August 1, 2022 to be used in a Phase II Investigational New Drug Clinical Trial.                                                                                                                                                                     | Phases I/IIa – Investigational New Drug Clinical Trial completed. Further clinical trials are currently on hold. |

On the basis of the positive results from the trials for BMND08 and BMND01, given the Company's limited financial resources, its current focus is on advancing BMND08 as its first priority under the 5-MeO-DMT program, and then on BMND01 under the DMT program. In order to make any significant progress with these programs, the Company will be required to secure additional capital.

Subject to the availability of additional funding over and above the capital required to advance its BMND08 and BMND01 programs, the Company would also recommence the programs relating to BMND02, BMND03, BMND05, and BMND07 by conducting further studies, the results of which would determine whether it is worth proceeding to a clinical phase for those programs.

For a full description of the Company's significant programs, see “*Description of the Business – Stage of Development*”.

## Market Size and Opportunity

The Company believes there is a promising prospect for a strong, legal psychedelic industry to emerge globally. In particular, the Company believes that over time, the psychedelic (and consumer perceptions thereof) will likely undergo a paradigm shift that is analogous to the change experienced by the cannabis industry, which resulted in the emergence of the global, multibillion-dollar industry. Although the legal market for psychedelic products is presently limited, globally, and in some jurisdictions, it is still in its early stages, the Company believes that the recent wave of deregulation and legalization of recreational cannabis across the globe will provide jurisdictions with the impetus to shift their focus to psychedelics, and, in time, give way to the emergence of numerous and sizable opportunities for market participants, including the Company.

In addition to the above, the Company remains optimistic about the future of psychedelics, in general. Psychedelics are progressively emerging as potential alternative candidates for conventional therapies for individuals suffering from elusive maladies like PTSD, addiction, Alzheimer's, and depression.<sup>12</sup> The Company believes that, as cannabis continues to gain a foothold in society as a legal alternative to traditional medicinal products, there is also potential for the future emergence of a strong psychedelics industry.

Currently, certain psychedelic compounds are being researched as candidates for the treatment of several physical and mental conditions, such as PTSD and depression.<sup>13</sup> In 2018 and 2019, for example, the U.S. Food and Drug Administration ("FDA") granted breakthrough therapy designation for a psychedelic compound (a tryptamine from the same family of two of the Company's candidates) for use as a candidate in the treatment of major depressive disorder<sup>14</sup>. At present, treatments for such conditions are limited in effectiveness, with some traditional treatment methods posing a heightened risk of complications. By contrast, the Company expects that like the various key compounds in cannabis, which are presently being used in a variety of medical products and formulations, the compounds in magic mushroom, such as psilocybin, may in time also emerge as a safer and healthier medical treatment alternative for various ailments, and provide a significant market with steady revenue generating potential. In particular, the Company believes that, amid recent resurgence of interest in the study of psychedelics compounds, the approximately \$15 billion global anti-depressant market presents a promising opportunity on which to capitalize.<sup>15</sup>

## Business Objectives and Milestones of the Company

For details about each of the Company's programs see "*Description of the Business – Stage of Development*".

Due to insufficient working capital, during 2025 the Company was unable to achieve the business objectives and milestones as detailed in its 2024 AIF. The Company's principal business objective in 2026 is to secure sufficient working capital (either via equity or debt financings) in order to advance its DMT, 5-MeO-DMT, and Mescaline programs.

The Company has prioritized BMND08 as its first priority under the 5-MeO-DMT program, with BMND01 (DMT program) as its second priority.

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<sup>12</sup> <https://www.baystreet.ca/stockstowatch/7145/Magic-Mushroom-Market-Set-to-Grow-10-Feet-Tall>.

<sup>13</sup> <https://www.healtheuropa.eu/worlds-first-magic-mushroom-nasal-spray-for-ptsd-and-depression/95434/>.

<sup>14</sup> <https://www.biopharmaglobal.com/2019/11/26/usona-institute-receives-fda-breakthrough-therapy-designation-for-psilocybin-for-the-treatment-of-major-depressive-disorder/>.

<sup>15</sup> <https://stockhouse.com/news/newswire/2019/08/23/why-psychedelics-look-like-next-billion-dollar-business>.

Subject to the availability of sufficient working capital, and based on the positive results of the Phase 2 trial for BMND08, during 2026 the Company intends to focus on introducing a proprietary nano-delivery technology for BMND08, designed to support commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

Additional details on the Company's programs, business objectives and milestones, are described in the Company's management discussion & analysis for the fiscal year ended December 31, 2025 (the "MD&A") which is available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Other than as described in this AIF and the MD&A, to the knowledge of management, there are no other particular significant events or milestones that must occur for the Company's initial business objectives to be accomplished. However, there is no guarantee that the Company will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Company may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described in the MD&A. See "Cautionary Note Regarding Forward-Looking Information" and "Risk Factors" in this AIF.

### Stage of Development<sup>16</sup>

As of the date of this AIF, 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.<sup>17</sup>

The Company currently has insufficient working capital to proceed with further trials, and therefore programs to advance the projects to commercialization are principally on hold while the Company continues efforts to secure appropriate funding.

The chart below provides a comparison of the Company's actual costs and timelines associated with its DMT, 5-MeO-DMT, and Mescaline programs to the disclosure in its management's discussion & analysis for the nine months ended November 30, 2025, dated November 18, 2025 (the "Q3 2025 MD&A").

| Objective                   | Milestone<br>(3) (4) (5) (6)                                                                                      | Estimated<br>Cost in the<br>Q3 2025<br>MD&A | Actual<br>Costs to<br>Date (\$) | Estimated<br>Timeframe for<br>Completion in<br>the Q3 2025<br>MD&A | Estimated or<br>Actual<br>Completion<br>Periods | Current<br>Status |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------|
| DMT Program<br>(BMND01) (1) | R&D focused on<br>the<br>development of<br>novel<br>formulations<br>and innovative<br>routes of<br>administration |                                             | \$96,780                        | Completed Q1<br>2022                                               | Completed Q1<br>2022                            | Completed         |

<sup>16</sup> 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.

<sup>17</sup> See footnote 3.

|                                           |                                                                                              |                    |                    |                                                                                                 |                                                                                                 |                   |
|-------------------------------------------|----------------------------------------------------------------------------------------------|--------------------|--------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------|
|                                           | R&D Activities Phase I                                                                       |                    | \$1,137,237        | Completed Q3 2022                                                                               | Completed Q3 2022                                                                               | Completed         |
|                                           | Phase IIa                                                                                    |                    | \$-                | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | On hold           |
| DMT Program (BMND07) <sup>(1)</sup>       | Pre-Clinical                                                                                 |                    | \$82,896           | Completed Q3 2021                                                                               | Completed Q3 2021                                                                               | Completed         |
| <b>Total – DMT Program</b>                |                                                                                              | <b>\$1,136,419</b> | <b>\$1,316,913</b> |                                                                                                 |                                                                                                 |                   |
| 5-MeO-DMT Program (BMND08) <sup>(2)</sup> | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$228,215          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Phase I                                                                       |                    | \$602,353          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | R&D Activities Phase IIa                                                                     |                    |                    | Completed Q1 2024                                                                               | Completed Q1 2024                                                                               | Completed         |
|                                           | Breakthrough Therapy Designation (BTD) with the FDA <sup>(7)</sup>                           |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | EMA and MHRA engagement <sup>(7)</sup>                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Develop manufacturing scalability <sup>(7)</sup>                                             |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – 5-MeO-DMT Program</b>          |                                                                                              | <b>\$650,074</b>   | <b>\$830,568</b>   |                                                                                                 |                                                                                                 |                   |
| Mescaline Program (BMND06)                | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$163,906          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Pre-Clinical studies                                                          |                    | \$475,693          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | Phase I <sup>(7)</sup>                                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Phase IIa <sup>(7)</sup>                                                                     |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – Mescaline Program</b>          |                                                                                              | <b>\$459,105</b>   | <b>\$639,599</b>   |                                                                                                 |                                                                                                 |                   |

**Notes:**

(1) The Company strategically designated BMND01 as its lead candidate for advancement to Commercial Clinical Trials, redirecting available resources from BMND07 to focus on BMND01's potential.

(2) The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-

|     |                                                                                                                                                                                                                 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | DMT. The strategic decision underscores the market opportunity represented by the targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation. |
| (3) | There may be circumstances where for sound business reasons the Company reallocates the funds or determines to not proceed with a milestone.                                                                    |
| (4) | Subject to receipt of all necessary regulatory approvals.                                                                                                                                                       |
| (5) | Further, there is no assurance that such studies will advance to Commercial Clinical Trials at all.                                                                                                             |
| (6) | The Company is still evaluating the jurisdiction where it shall conduct the Commercial Clinical Trials; this could be the U.S., the UK or any other country of the European Union.                              |
| (7) | The continuation of these trials is subject to the raising of funds by the Company.                                                                                                                             |

On the basis of the positive results from the trials for BMND08 and BMND01, given the Company's limited financial resources, its current focus is on advancing BMND08 as its first priority under the 5-MeO-DMT program, and then on BMND01 under the DMT program. In order to make any significant progress with these programs, the Company will be required to secure additional capital.

Subject to the availability of additional funding over and above the capital required to advance its BMND08 and BMND01 programs, the Company would also recommence the programs relating to BMND02, BMND03, BMND05, and BMND07 by conducting further studies, the results of which would determine whether it is worth proceeding to a clinical phase for those programs.

The Company's three significant programs (DMT, 5-MeO-DMT, and Mescaline), have not yet generated any revenue, and are 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.

#### DMT Program

DMT is a serotonergic psychedelic that exerts its effects through serotonergic receptors in the brain including 5-HT<sub>2A</sub>, 5-HT<sub>1A</sub>, 5-HT<sub>2C</sub> and 5-HT<sub>7</sub> receptors, among others. Because the effects of DMT do not last very long, it becomes a good candidate to treat TRD.<sup>18</sup> DMT effects are thought to be principally mediated through activation of 5HT<sub>2AR</sub> 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.<sup>19</sup>

The Company has 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 has conducted Investigational New Drug Clinical Trials on three of 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

<sup>18</sup> 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.

<sup>19</sup> 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.

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. 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 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](http://www.clinicaltrials.gov) (NCT05573568). On November 04, 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. The trial has involved a dose exploration schedule ranging from 5 to 100 mg. No volunteer presented serious adverse events or clinical risk to the 11 different doses tested. These successful first results bring strong potential for the next phase of the trial, which will address patients suffering from TRD.

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 experienced temporary 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 were allocated for studies related to COVID-19 and, as a result of COVID-19, related suppliers had 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 the 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 PIND file for the Company, the PIND number assigned was 163758. On September 23, 2022, the Company submitted its briefing package to the FDA.

On October 25, 2022, the FDA provided its written response opinion, granting the Company IND clearance related to the NCE Triptax™. The proposed IND-opening study in the United States will be a Phase I safety, tolerability, and PK study. Subjects will receive Triptax™ in two dosing sessions, a low-dose and an intermediate-dose in a fixed order, with specific doses determined based on the results of the Phase I Investigational New Drug Clinical Trial study conducted in Brazil. With this IND clearance, the Company is now in a strong position to rapidly advance in the clinical pipeline targeting depression, specifically, TRD. As part of the Company’s diversified go-to-market strategy, the NCE Triptax™ opens a new avenue to be considered by traditional pharma companies, since it could be used as an active pharmaceutical ingredient or as a chemical precursor, depending on the selected route of administration and physicochemical characteristics.

On March 31, 2023, the Company announced that it successfully completed the optimization of a new extraction method to increase the purity and yield of DMT. This method can be scalable to potentially reach an affordable and environmentally friendly production of the NCE Triptax™ in compliance with Good Manufacturing Practices, as is required by the pharmaceutical industry. Through this optimized process, the DMT crystals obtained could be used as an API or as a chemical precursor of the Company's novel formulations.

In March 2024, the Company published the results of the Phase I trial of its novel drug candidate BMND01 for TRD in the journal *European Neuropsychopharmacology* (DOI: 10.1016/j.euroneuro.2023.12.006). The title of the article is: "Safety and tolerability of inhaled N, N-Dimethyltryptamine (BMND01 candidate): A phase I clinical trial".

As of December 31, 2025, the Company has spent \$1,316,913 on its Investigational 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 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.<sup>20</sup>

Under the 5-MeO-DMT Program, the Company is working on two drug candidates:<sup>21</sup>

- 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.<sup>22</sup> This makes optimizing the formulation of 5-MeO-DMT a particularly important part of development. The Company is in the process of developing prototype formulations of synthetic 5-MeO-DMT with different excipients and has started the chemical synthesis of 5-MeO-DMT; Good Laboratory Practices compliant protocols and procedures have already been completed.

The prototype formulations of synthetic 5-MeO-DMT were ready in Q1 2022.

The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-DMT. The strategic decision underscores the market opportunity represented by the

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<sup>20</sup> 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>.

<sup>21</sup> The Company previously had another drug candidate identified, BMND04 for eating disorders, however, after Investigational 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.

<sup>22</sup> 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.



targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation.

On May 24, 2022, the Company entered into a Research and Development contract with Hadasit Medical Research Services and Development Ltd.<sup>23</sup>, Israel, to test the potential antidepressant benefit of an alternative 5-MeO-DMT dose schedule in Company's BMND08 formulation. The research (results remain pending due to the Company's financial constraints) was led by Professor Dr. Bernard Lerer, Director of the Hadassah BrainLabs, Knowledge Center for Research on Brain Diseases.

On May 26, 2022, the Company announced that it 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 ("CUC") and the Dr. Marcial Quiroga Hospital (the "DMQH"), in Argentina. This Investigational New Drug Clinical Trial was conducted by Neuroscientist Dr. Martin Bruno and a highly professional interdisciplinary medical team. DMQH has more than a hundred patients with the targeted disease which allows the Company to shorten the time required to commence the Phase II clinical trial.

On December 28, 2022, the Company announced that it successfully completed the development of a novel sublingual formulation to be used in the Phase II trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. The sublingual route of administration addresses many pharmaceutical and patient needs, highlighting convenient dosing for geriatric and psychiatric uncooperative patients with dysphagia (difficulty in swallowing). Sublingual administration presents several advantages over oral formulations such as quick absorption, predictable potency, reduced interaction with other medications and foods, and ease of administration.

In March 2023, DMQH received the novel sublingual formulation developed by the Company to be used in the Investigational New Drug Clinical Trial on its BMND08 candidate.

On April 25, 2023, the Company announced that it commenced the Investigational New Drug Clinical Trial for its proprietary 5-MeO-DMT-based BMND08 candidate. This trial is being led by the Company's Clinical Advisor, Neuroscientist Dr. Martín Bruno. The Investigational New Drug Clinical Trial, a double-blind, randomized, placebo-controlled, repeated single dose trial, includes 40 subjects (50-75 years old).

In June 2023, the company received a preliminary report with very promising results regarding the formulation and its safety in HV.

On September 14, 2023, the Company announced that it successfully completed the organic synthesis scheme of 5-MeO-DMT. This organic synthesis enables the efficient production of 5-MeO-DMT freebase. This process ensures high purity and maintains the compound's integrity, making it suitable for pharmaceutical applications.

In December 2023, the company received a preliminary report with very promising results regarding the sublingual formulation in patients with depression and anxiety.

On March 01, 2024, the Company announced unprecedented positive results of Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. This critical milestone allowed the Company to determine the optimal therapeutic dose for depression and anxiety, ensuring both safety and effectiveness. Patients in various Groups, including those with depression and anxiety, were administered BMND08 to assess its impact on symptom reduction. Notably, the trial demonstrated significant improvements in depression, anxiety and stress, and scores compared to the placebo group, highlighting BMND08's therapeutic potential. In addition to addressing mood disorders, BMND08 exhibited promising effects on cognitive function. Participants

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<sup>23</sup> Hadasit is a wholly owned subsidiary of Hadassah Medical Organization ("HMO").

receiving BMND08 showed notable enhancements in executive functions, particularly in processing speed, suggesting broader implications for cognitive decline associated with MCI.

In December 2024, the company registered both trials on [www.clinicaltrials.gov](http://www.clinicaltrials.gov). The first was titled “Safety, Tolerability, and Efficacy of Sublingual Microdoses of 5-MeO-DMT for Depression and Anxiety (5-MeO-DMT)” ([NCT06816667](https://clinicaltrials.gov/ct2/show/study/NCT06816667)) and the second was titled “Efficacy of Sublingual 5-MeO-DMT for Reducing Anxiety and Depression in MCI (5-MeO-DMT)” ([NCT06812221](https://clinicaltrials.gov/ct2/show/study/NCT06812221)).

In July 2025, the Company published the results of the Phase I trial of its novel drug candidate BMND08 for depression and anxiety in the journal *Neuropsychopharmacology* (DOI: <https://doi.org/10.1038/s41386-025-02167-3>). The title of the article is: “Safety and tolerability of multiple sublingual microdoses of 5-MeO-DMT in adults with moderate symptoms of depression and/or anxiety: a randomized, double-blind, placebo-controlled study”.

On December 3, 2025, the Company announced advancements in the development of BMND08, transitioning the program on BMND08 into FDA-directed activities using the Company’s nano-formulation drug-delivery platform, which is designed to support commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

As of December 31, 2025, the Company has spent \$830,568 on Investigational 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 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-HT<sub>2A</sub> receptor with high affinity.<sup>24</sup>

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 completed the biological synthesis of mescaline precursors in Q2 2022.

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<sup>24</sup> 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.

The Company 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.

ANVISA approved the import of mescaline on August 25, 2022, and the release of the mescaline retained in Customs on October 06, 2022, to be used in the Pre-clinical. The Pre-Clinical trial started in Q4 2022 and finished in Q4 2023.

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.<sup>25</sup>

In August 2023, the Company received the final report related to *in vitro* cytotoxicity and expression studies of mescaline. The preclinical mutagenicity AMES test for mescaline has shown an excellent safety profile, the results confirmed that it is not mutagenic at high doses. As a promising anti-inflammatory compound, mescaline has shown relevant profile through *in vitro* assays, showing that it has four times more potency as an anti-inflammatory than dexamethasone, a glucocorticoid medication used to treat rheumatic problems.

In November 2023, the Company received the final report related to acute and chronic toxicity of mescaline in Wistar rats. In both intravenous and oral administration, mescaline showed temporary and mild effects on behaviour as soon as it was administered but showed no signs of toxicity in any of the studies carried out. Furthermore, mescaline did not induce chromosomal damage or genetic mutations in the genotoxicity tests.

On July 19, 2024, the Company announced the decision to advance a new Phase II clinical trial in humans, focusing on obesity. This decision follows new and unexpected findings from a pre-clinical study of its proprietary compound 3,4,5-trimethoxyphenethylamine-based BMND06. The toxicological studies reveal that the BMND06 candidate is physiologically safe, exhibiting low acute and chronic oral toxicity with no mutagenic effects. The primary objective was to establish a starting safe dose for the first-in-human trial and evaluate the potential toxicity of BMND06. In addition to *in vivo* studies, *in vitro* assays surprisingly demonstrated that BMND06 significantly reduces LPS (lipopolysaccharide)-induced IL-6 (interleukin-6) levels in various colon cancer cell lines, outperforming dexamethasone-a commonly used anti-inflammatory corticosteroid-by fivefold in reducing IL-6 induction caused by LPS.

As of December 31, 2025, the Company has spent \$639,599 on Investigational 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.

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<sup>25</sup> 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.

## Research and Development: Formulations and Drug Delivery Systems

Mindcore's operations in Uruguay housed 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 has leveraged 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 September 27, 2022, the Company and QUB have received Controlled Substances License from the United Kingdom Regulator to commence the eight-month project. On October 4, 2022, the Queen's scientific team started activities related to the project. The project is on hold.

On August 10, 2022, the Company entered into a R&D agreement with MIXI, a service provider from The Nuclear Research Center of University of Republic ("UdelaR"), Uruguay, related to *in vitro* cytotoxicity and expression studies of one of the Company's molecules. The project is completed.

## 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 and subject to the availability of sufficient working capital, 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 maintains a 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 have been 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 applied for, and has 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 which, 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.

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 assisted in matters related to the Company's pre-IND meetings and INDs.

On September 5, 2022, the Company signed a confidential agreement with Salamandra, a specialized consulting firm providing strategic, technical and regulatory support for the pharmaceutical and medical device industry, located in Maryland, U.S. Salamandra provided regulatory support for the Company's pre-IND meetings and INDs.

On December 9, 2022, the Company signed a Confidential Agreement with Gaea OÜ, a full-service CRO, located in Tallin, Estonia. Gaea OÜ is providing technical and regulatory support for the Company's trials to be run in Europe.

## **Production and Raw Materials**

The Company has established a supply chain of the raw materials required for development of its novel pharmaceuticals, including sourcing API and other raw materials from a supplier in the United Kingdom, which are sent directly to the Company's premises and partners for R&D purposes in Brazil, Uruguay and elsewhere. Such API and raw materials are manufactured and packaged in cGMP certified facilities.

## **Foreign Operations**

The Company's management is located in Latin America and Europe and is led by others in local jurisdictions. The Company conducts its international operations to conform to local variations, economic realities, market customs, consumer habits and regulatory environments. The Company will modify its products (including labeling of such products) and its distribution and marketing programs in response to local and foreign legal requirements and customer preferences.

In addition to normally anticipated business risks, international operations are subject to certain risks inherent in conducting business abroad, including foreign regulatory restrictions, fluctuations in monetary exchange rates, import-export controls and the economic and political policies of foreign governments. Government regulations in foreign countries may prevent or delay the introduction, or require the reformulation, of certain of the Company's products. Compliance with such foreign governmental regulations is generally the responsibility of the Company's distributors in those countries. These distributors are independent contractors whom the Company does not control. The importance of these risks increases as the Company's international operations grow and expand. See "*Risk Factors – Foreign Operations*".

## **Emerging Market Issuer**

Guidance from Canadian securities regulators provides that issuers operating in markets deemed "emerging markets" include additional disclosure with respect to operations in such markets. Brazil and Uruguay are generally viewed as "emerging markets" for purposes of such disclosure. The following disclosure is included in contemplation of the guidance in Staff Notice 51-720 – *Issuer Guide for Companies Operating in Emerging Markets* of the Ontario Securities Commission.

The Company's operations are located mainly in Brazil and Uruguay, both emerging markets, conducted by its wholly-owned subsidiaries through service agreements and licensed partners. The Company's subsidiaries are locally incorporated or established for the purposes of compliance with local laws. Operating in an emerging market exposes the Company to risks and uncertainties that do not exist or are significantly less likely to occur in other jurisdictions. In order to manage and mitigate these risks, the Company has implemented and observes corporate governance practices for itself and its subsidiaries that include internal controls over financial reporting and disclosure controls. These systems are coordinated by the Company's senior management and overseen by the board of directors. See "*Risk Factors – Risks Related to the Company's Business and Industry - Emerging Market Risks*".

### *Board and Management Experience and Oversight*

Key members of the Company's management team and the board of directors have experience running business operations in emerging markets, in Brazil and Uruguay specifically, and Latin America generally. For details regarding the relevant experience of the board of directors and management of the Company, see "*Directors and Executive Officers*".

The board of directors, through its corporate governance practices, receives management and technical updates, risk assessments and progress reports in connection with its operations in Brazil and Uruguay. In addition, certain of the Company's officers visit Brazil and come into contact with local employees, government officials and business persons on a regular basis, and such interactions enhance the visiting officers' knowledge of local culture and business practices. The Company also takes steps to ensure that in-person communication, when and if possible, is a priority.

#### *Controls Relating to Corporate Structure Risk*

The Company has implemented a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply at all levels of the Company and its material subsidiaries, including its foreign subsidiaries in Brazil and Uruguay. These systems are overseen by the board of directors and implemented by the Company's senior management in various ways.

The Company controls its subsidiaries by virtue of corporate oversight. The Company's management has the power to instruct its subsidiaries' officers to pursue business activities in accordance with the Company's objectives and the Company has a legal right, as a shareholder, to require the officers of each of its subsidiaries to comply with their fiduciary obligations. As a result, management of the Company can effectively align its business objectives with those of its subsidiaries and implement such objectives at the subsidiary level.

The Company prepares its consolidated financial statements on a quarterly and annual basis, using IFRS. The Company implements internal controls over the preparation of its financial statements and other financial disclosures, including its Management's Discussion & Analysis ("MD&A"), to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements are being prepared in accordance with IFRS and other financial disclosures, including its MD&A, are being prepared in accordance with relevant securities legislation. These systems of internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, the Company has access to material information about its subsidiaries. Pursuant to the requirements of National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company assesses the design and operation of key internal controls over financial reporting, following a risk-based approach.

The Company has a disclosure policy that establishes the protocol for the preparation, review and dissemination of information about the Company. This policy provides for multiple points of contact in the review of important disclosure matters, which includes input from key members of management.

#### *CEO and CFO Certifications*

In order for the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109, the Company has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting, in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company and its subsidiaries containing material information, is prepared with input from the responsible officers and employees, and is available for review by the CEO and CFO in a timely manner.



### *Intercompany Fund Transfers*

Differences in banking systems and controls between Canada, BVI, Brazil and Uruguay are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations and the segregation of duties. In executing certain normal course monetary transactions, funds are transferred between the Company and its subsidiaries by way of wire transfer. These transactions would typically include the payment of applicable fees for services; reimbursement of costs incurred by the Company on behalf its subsidiaries; advances in the form of intercompany loans or equity contributions to subsidiaries; repayment of interest and/or principal on intercompany loans; and the return of capital or payment of dividends from subsidiaries and joint ventures. Capital structure and funding arrangements are established between the Company and its subsidiaries. Where regulatory conditions exist in the form of exchange controls, all necessary approvals are obtained in advance of the proposed transactions.

### *Managing Language and Cultural Differences*

Differences in cultures and practices between Canada, Brazil and Uruguay are addressed by employing competent staff in Brazil and Uruguay who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in that jurisdiction and in dealing with the relevant government authorities and have experience and knowledge of the local banking systems and treasury requirements.

While the reporting language of the Company is English, the primary operating language in Brazil is Portuguese and in Uruguay, Spanish. Alejandro Antalich, the Chief Executive Officer of the Company is fluent in Portuguese and Spanish and Messrs. Oscar Leon and Juan Presa, the Chief Financial Officer and Chief Legal Officer, respectively, are fluent in Spanish.

The Company maintains open communication with its operating partners in Brazil and Uruguay through management team members who are fluent in local language and are proficient in English, removing language barriers between the Company's head office and the local management teams. Material documents relating to the Company's operations that are provided to the board of directors are in English. Material documents relating to the Company's material operations are translated or summarized into English.

### *Transactions with Related Parties*

The Company is subject to Canadian securities law and accounting rules with respect to approval and disclosure of related party transactions, and has procurement and other policies in place which it follows to mitigate risk associated with potential related party transactions. If the Company does transact with related parties, it will be disclosed in its consolidated financial statements. Services obtained from related parties are sourced and continually evaluated in accordance with the Company's procurement policy.

### *Removal of Directors of Subsidiaries*

Subject to applicable local corporate laws and the respective constating documents of each of its subsidiaries, the Company may remove directors of its material subsidiaries from office either by way of a resolution duly passed by the Company at a shareholders' meeting or by way of a unanimous shareholders' written resolution.

### *Records Management of the Company's Subsidiaries*

The original minute books and corporate records of each of the Company's subsidiaries are kept at the registered office of the Company's subsidiaries. Company management and the board of directors have complete access to these records.

### **Market for Products**

The Company is focused on developing novel pharmaceuticals and drug delivery systems improving the bioavailability and pharmacokinetic profiles of by using different kind of technologies to target neurological and psychiatric conditions. The Company is focused on progressing its broad patent applications portfolio which cover novel pharmaceuticals, delivery mechanisms and supportive treatment platforms.

The Company's initial product is expected to be based on the psychedelic molecule 5-MeO-DMT, provided that the applicable clinical trials are successful, and all necessary approvals are obtained. The Company's market for its products is expected to be in jurisdictions where such products are lawful.

### **Specialized Skills and Knowledge**

The Company intends to establish itself as a leader of early drug development of drugs based on known active pharmaceutical ingredients, including but not limited to psychedelic-based medicines.

The Company's directors and officers possess a breadth of knowledge and expertise to develop and execute on the Company's business strategy and support its technical capabilities. In addition, by leveraging the management and operational team's combined expertise, the Company believes it possesses the ability to execute on its commercial and operational strategy.

The Company intends to continue to build out its team with additional specialists to align with the core business goals and objectives. The Company utilizes the services of 8 external consultants to provide guidance and support across its technical domains.

### **Employees**

The Company maintains a virtual operating model in order to keep processes lean and efficient. Other than its executive management team (CEO and CFO and Corporate Secretary), the Company currently has no full time employees and does not expect to scale its workforce by more than one or two employees to execute on business objectives over the next 12 months.

The Company also hires contractors and consultants as needed.

### **Intellectual Property**

#### *Trademarks*

The Company has filed applications for registration of two trademarks including Biomind™, and Triptax™.

The trademark Biomind™ was registered on December 15, 2023, under Registration No. TMA1214348 in association with all the services set out in the Certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before December 15, 2033.

The trademark Triptax™ was registered on May 9, 2025, under Registration No. TMA1311933 in association with the pharmaceutical preparations set out in the trademark certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before May 9, 2035.

## Patents

The Company's mission is to discover, develop and deploy psychedelic inspired medicines to alleviate suffering and improve health through the research and development of new and improved psychedelic inspired medicines ranging from proprietary psychedelic compounds (such as the API) to specific formulations thereof and uses for such compounds and formulations. As the Company generates new data it will expand patent coverage throughout the development program.

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

Due to financial constraints, the following patent applications have been allowed to expire: PCT/CA2021/051316 - Isotopically labelled psychedelic tryptamines for use in pharmacology or clinical treatments; PCT/CA2022/051246 – Isotopically labeled tryptamines and analogs thereof; and PTC/CA2022/051451, publication umber WO 2023/050010 – Encapsulated microparticles and nanoparticles of dimethyltryptamine. As of the date of this AIF, the Company has 8 patent applications as detailed in the table below.

The following table set forth the status for each patent application applicable to the Company's current and anticipated business activities:

| ID | Title                                                                                                                                                               | Jurisdiction of Filing                                   | Status                                         |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|
| 1  | Composition based on dimethyltryptamine marked with 15N and one method for personalized treatment of neurological and psychiatric disorders.<br><b>UY 39305</b>     | Paris Convention Treaty <sup>26</sup> (UY) Priority Date | Published Requested of Substantive Examination |
| 2  | Compositions of N, N-DMT and 5-MeO-DMT marked totally or partially with stable isotopes for monitoring its pharmacokinetics and bioavailability.<br><b>UY 39299</b> | Paris Convention Treaty (UY) Priority Date               | Published Requested of Substantive Examination |
| 3  | Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments.<br><b>UY 39300</b>                                                     | Paris Convention Treaty (UY) Priority Date               | Published Requested of Substantive Examination |

<sup>26</sup> 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.

|   |                                                                                                                                                   |                                               |                                                         |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|
| 4 | Pharmaceutical formulation containing a psychedelic substance obtained by 3D printing by selective laser sintering (SLS).<br><b>UY 39443</b>      | Paris Convention Treaty (UY)<br>Priority Date | Published<br>Requested of<br>Substantive<br>Examination |
| 5 | Dimethyltryptamine-based nasal spray for the personalized treatment of neurological and psychiatric disorders.<br><b>UY 39445</b>                 | Paris Convention Treaty (UY)<br>Priority Date | Published<br>Requested of<br>Substantive<br>Examination |
| 6 | Encapsulated microparticles and nanoparticles of dimethyltryptamine and one natural inhibitor of the enzyme monoamine oxidase.<br><b>UY 39446</b> | Paris Convention Treaty (UY)<br>Priority Date | Published<br>Requested of<br>Substantive<br>Examination |
| 7 | Encapsulated microparticles and nanoparticles of dimethyltryptamine.<br><b>EP 21218287.7</b><br><b>Publication Number: EP 4 159 201</b>           | EPO: European Patent Office (Spain)           | Published<br>(Pending)                                  |
| 8 | Encapsulated microparticles and nanoparticles of dimethyltryptamine.<br><b>PCT/CA2022/051451</b><br><b>Publication Number: WO 2023/050010</b>     | USPTO (U.S.)                                  | Published<br>(Pending)                                  |

The Paris Convention Treaty (the “PCT”) facilitates filing for patent recognition in multiple jurisdictions simultaneously using a single uniform patent application. A total of 193 countries, including Canada and the United States, have ratified the PCT. Ultimately, patents are still granted in each country individually. As such, the PCT procedure consists of two phases: filing of an international application, and national evaluation under the patent laws in force in each country where a patent is sought. Within 12 months of filing a provisional patent application at the United States Patent and Trademark Office, the Company may elect to file a regular utility patent application in the United States in tandem with filing a PCT application with the World Intellectual Property Office, in each case claiming priority to the provisional patent application. Within 30 months of the provisional filing date, deadlines begin for a PCT application to enter the national phase in desired jurisdictions globally, such as Canada (30 months) and Europe (31 months), in each case claiming priority to the provisional patent application.

Related to the PCT-patent applications, the Company received the Written Opinion of the International Searching Authority (“ISR”) from the International Preliminary Examining Authority (“IPEA”) for the application PCT/CA2022/051451, submitted by the Company. In view of the prior art cited, the invention appears to be novel, involves an inventive step, and has industrial application, the three requirements to grant a patent. On June 24, 2022, the Company has received the European Search Report (“ESR”) from the European Patent Office (“EPO”) for some of the applications 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.

### **Cyclical or Seasonality of Business**

The Company’s business is not expected to be cyclical or seasonal.

### **Economic Dependence**

The Company's business is not expected to be economically dependent on any contracts for the foreseeable future.

### **Changes to Contracts**

The Company's business is not expected to be affected by any changes to contracts or subcontracts.

### **Environmental Protections**

The Company recognises that its R&D, testing and manufacturing activities are subject to international, national, state and local environmental health and safety laws and regulations.

To date, the Company is not aware of the handling of any hazardous materials such as chemical solvents, carcinogenic or mutagenic compounds or compounds that have a toxic effect on reproduction. The Company engages with third-party manufacturing and analytical sites. The sites used to manufacture or perform analytical testing of the Company's APIs or drug products have procedures in place to ensure the adequate protection of staff and the safe disposal of all waste material.

### **Social or Environmental Policies**

To date, the Company has not implemented social or environmental policies. However, the Company is aware that it may need to adopt additional social, environmental and human rights policies in the future.

### **Competitive Conditions**

The industry within which the Company operates will become intensely competitive in all its phases, and the Company will face intense competition from other companies, some of which can be expected to have more financial resources and retail, formulation, research, processing, and marketing experience than the Company. There can be no assurance that potential competitors of the Company, which may have greater financial, formulation, research, production, sales and marketing experience, and personnel and resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's business, products and strategies, as applicable, ineffective, or obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Although the emerging psychedelic market will face an intense competition due to the tens of companies that are participating in the sector, the Company's natural psychedelic approach, diversified portfolio of molecules and operations based on a jurisdiction which conducted the first randomized, placebo-controlled and government authorized clinical trial of psychedelic assisted treatment for a psychiatric disorder, intend to reduce the risk to which the Company could be exposed within an aggressive and highly competitive industry. Likewise, the Company is currently focusing on fast acting psychedelics with the aim of becoming one of the unique participants with a realistic, useful and affordable solution for the hundreds of millions of people that suffer from different mental conditions. The core business of the Company is to develop novel pharmaceutical drugs at affordable prices, not extremely expensive therapeutic treatments that could only be available for a small market niche.

## Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses may continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company will be reliant on future financings in order to meet its cash needs. There is no assurance that such future financings will be available on acceptable terms or at all. See "*Risk Factors*".

## REGULATORY ENVIRONMENT

A summary of the applicable regulatory framework for the Company's various business segments and proposed business activity are set forth below.

| Business Segment                                                                     | Current/Proposed Location of Operations | Summary of Applicable Regulatory Framework                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Clinical trials and research studies for DMT, 5-MeO-DMT and mescaline <sup>(1)</sup> | Brazil                                  | <p>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. There are a number of regulations under which clinical trials involving drugs and biological products/controlled substances are governed.<sup>(2)</sup></p> <p>DMT, 5-MeO-DMT, mescaline and psilocybin, all psychotropic substances listed in List F2 of Annex I of Ordinance 344 and may only be used in study and research activities when duly authorized by ANVISA through Special Simplified Authorization.</p> |
| Research and development <sup>(3)</sup>                                              | Uruguay                                 | <p>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.<sup>(4)</sup></p> <p>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.</p>                                                                                                                                        |
| Clinical trials and research studies for DMT, 5-MeO-DMT and mescaline                | Argentina                               | <p>Clinical trials with drugs and biological products in Argentina are regulated and supervised by ANMAT, an organization linked to the Ministry of Health, part of the Argentinian National Health System as the coordinator of the Argentinian Health Regulatory System.</p> <p>DMT, 5-MeO-DMT, mescaline and psilocybin, all psychotropic substances listed in List F2 of Annex I of Ordinance 344 and may only be used in study and research activities when duly authorized by ANMAT through Special Simplified Authorization.</p>                                                                                                                                                    |

### Notes:

- (1) Business segment focuses on clinical trials and research studies for DMT, 5-MeO-DMT and mescaline in Brazil conducted by Liverdome.
- (2) For further information on the Brazil regulatory framework, see "*Regulatory Environment – Jurisdiction Specific Regulatory Obligations – Brazil*".

- (3) Business segment focuses on research and development and consists of investigating the mechanisms of action of the Molecules, extracting and purifying the APIs, synthesizing the APIs, and developing novel formulation prototypes and drug delivery systems in Uruguay conducted by Mindcore.
- (4) For further information on the Brazil regulatory framework, see “*Regulatory Environment – Jurisdiction Specific Regulatory Obligations – Uruguay*”.

## **Jurisdiction Specific Regulatory Obligations**

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.

### *Brazil*

Clinical trials with drugs and biological products in Brazil are regulated and supervised by the Brazilian National Agency for Health Surveillance (*Agência Nacional de Vigilância Sanitária* - ANVISA) (“**ANVISA**”), an organization linked to the Ministry of Health, part of the Brazilian National Health System as the coordinator of the Brazilian Health Regulatory System.

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

- Federal Law 9782, of January 26, 1999, which defines the Brazilian National Health System and creates the Brazilian National Agency for Health Surveillance;
- Federal Law 6.437, of August 20, 1977, that, among other provisions, regulates violations to the federal sanitary laws and sets forth the respective penalties;
- RDC 9/2015;
- Resolution of the ANVISA Board of Directors 16, of April 1<sup>st</sup>, 2014, which regulates the criteria for the application for AFE and AE 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<sup>27</sup>.

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<sup>28</sup>.

<sup>27</sup> 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”.

<sup>28</sup> <https://www.gov.br/anvisa/pt-br/assuntos/noticias-anvisa/2018/tratamentos-com-ibogaina-nao-estao-regulamentados>



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:<sup>29</sup> “There is no scientific evidence to guarantee the safety of the therapeutic use of ibogaine, as it is a substance with reported serious risks, including sudden death. There is no ANVISA regulation for the commercialization of ibogaine as a medicine, being its offer and commercialization prohibited and subject to complaints. Clinical trials with medicines in Brazil are regulated by RDC 9/2015.”

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*<sup>30</sup>) 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,<sup>31</sup> 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 UFRN and has submitted to the IRB 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 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 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

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<sup>29</sup> <http://mds.gov.br/obid/artigos/governo-federal-desaprova-a-utilizacao-de-ibogaina-no-tratamento-da-dependencia-quimica>

<sup>30</sup> Representative Organization of Clinical Research.

<sup>31</sup> Such as: storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs.

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, which are conducted by the UFRN and Raras, that have all the necessary licenses to operate the active clinical trials.

### *Uruguay*

In Uruguay, research and development activities involving controlled substances are governed under the authority of the CDS, 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, and information about the location where the activity shall be developed. The CSD shall respond to the registration either by 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, which 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 GMP 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 UK 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 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.<sup>32</sup>

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.<sup>33</sup>

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

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<sup>32</sup> 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](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).

<sup>33</sup> 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf).

- 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).

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.

### Licensing Requirements

The Company's API and other raw materials are expected to be sourced from a supplier in United Kingdom. The API is expected to be sent directly to the Company's premises and partners for research and development purposes.

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 under the heading "Pharmaceutical Products", depending on how the API is developed, certain authorizations and licences from the United Kingdom Medicines and Healthcare products Regulatory Agency (the "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.<sup>34</sup>

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

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<sup>34</sup> 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](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).



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.<sup>35</sup>

### Pharmaceutical Products

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 psilocybin/psilocin and the mode of action of any psilocybin/psilocin 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 GMP 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)

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.

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<sup>35</sup> 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf).

## **RISK FACTORS**

There are various risk factors that could cause the Company's future results to differ materially from those described in this AIF. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones it faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, financial condition, results of operations and cash flows, and consequently the price of the Common Shares, could be materially and adversely affected. The risks discussed below also include forward-looking statements and the Company's actual results may differ substantially from those discussed in these forward-looking statements. See "*Note Regarding Forward-Looking Statements*".

### **Risks Related to the Company's Financial Position**

#### ***Going Concern Risk***

The Company has undertaken to identify when events or conditions indicate that significant doubt may exist about its ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that it is probable that the Company will not be able to meet its obligations as they become due for a period of at least twelve months from the statement of financial position date. The Company believes that there are no material uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern, however, if operational issues arise, the Company may not be able to meet its business objectives.

#### ***Limited Operating History***

The Company has a limited operating history upon which its business and future prospects are evaluated. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating requirements, it will need to be successful in its growth, marketing and sales efforts. Additionally, when and if the Company experiences future sales, its current operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If the Company's products and services, when and if produced, are not accepted by new customers, the Company's operating results may be materially and adversely affected.

Since formation, the Company has invested most of its resources in developing a portfolio of compounds targeted for the treatment of mental health challenges and other disorders, building its intellectual property portfolio, conducting business planning, raising capital and providing administrative support for these operations. The Company has not yet demonstrated an ability to conduct later-stage clinical trials, partner its late stage development, sell or out licence any of its assets, obtain regulatory approvals, manufacture a commercial-scale product, conduct sales and marketing activities necessary for successful product commercialization.

The Company may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving its business objectives. The Company will eventually need to transition from a company with a development focus to a company capable of supporting commercial activities. The Company may not be successful in such a transition.

### ***Clinical-Stage Neuropharmaceutical Company with History of Losses Since Inception***

The Company is a biotech research and development company and has not generated any revenue to date. The Company has incurred operating losses since the commencement of its business operations. The Company's historical losses resulted principally from costs incurred in connection with research and development activities and general and administrative costs associated with its operations. In the future, the Company intends to continue to conduct research and development, nonclinical testing, clinical trials, regulatory compliance, market access, commercialization and business development activities that, together with anticipated general and administrative expenses, will result in incurring further significant losses for at least the next several years. The Company's expected losses, among other things, may continue to cause its working capital and shareholders' equity (deficit) to decrease. The Company anticipates that its expenses will increase substantially if and as the Company, among other things:

- continues the clinical development of the Company's future pharmaceutical candidates including initiating additional and larger clinical trials;
- seeks additional indications for the Company's current pharmaceutical candidate;
- seeks regulatory approvals for any future pharmaceutical candidates that successfully complete clinical trials;
- experiences heightened regulatory scrutiny;
- explores external business development opportunities through acquisitions, partnerships, licensing deals to add future pharmaceutical candidates and technologies to the Company's portfolio;
- obtains, maintains, expands and protects the Company's intellectual property portfolio, including litigation costs associated with defending against alleged patent or other intellectual property infringement claims;
- adds clinical, scientific, operational, financial and management information systems and personnel, including personnel to support the Company's pharmaceutical development and potential future commercialization efforts;
- experiences any delays or encounters any issues with respect to any of the above, including failed studies, ambiguous trial results, safety issues or other regulatory challenges;
- establishes a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any pharmaceutical candidates for which the Company may obtain regulatory approval or partners with other companies and / or governmental, supranational, non-profit and academic institutions or organisations through partnership, out-licensing or other agreements to do so;
- establishes and expands the network of public healthcare institutions and private clinics that administer the Company's pharmaceutical candidates in conjunction with psychological support; and
- advances its commercialization strategy in North America and Europe, including using digital technologies to enhance the Company's proposed pharmaceutical offering.

Because of the numerous risks and uncertainties associated with pharmaceutical development, the Company is unable to accurately predict the timing or amount of increased expenses or when, or if, the Company will be able to achieve profitability. If the Company is required by the ANVISA, the FDA, or other comparable foreign authorities to perform studies in addition to those the Company currently anticipates, or if there are any delays in completing the Company's clinical trials or the development of the Company's current or any future pharmaceutical candidates, the Company's expenses could increase beyond current expectations and revenue could be further delayed.

To date, operations have been funded through equity private placements and shareholder advances. To become and remain profitable, the Company will need to continue developing and eventually commercialize therapies that generate significant revenue. Even if the Company or any future collaborators do generate sales, the Company may never achieve, sustain or increase profitability on a quarterly or annual basis. The Company's failure to sustain profitability would depress the market price of the Common Shares and could impair the Company's ability to raise capital, expand the Company's business, diversify the Company's pharmaceutical offerings or continue the Company's operations. If the Company continues to suffer losses, investors may not receive any return on their investment and may lose their entire investment.

### ***Additional Capital Requirements and the Availability of Financing on Reasonable Terms***

The Company expects to require substantial additional funding in the future to sufficiently finance its operations and advance development of its current and or any future pharmaceutical candidates. Further, changing circumstances, some of which may be beyond the Company's control, could cause the Company to consume capital significantly faster than the Company currently anticipates, and the Company may need to seek additional funds sooner than planned. The Company's future funding requirements, both short-term and long-term, will depend on many factors, including:

- the progress, timing and completion of nonclinical testing and clinical trials for the Company's current and future pharmaceutical candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the ANVISA, the FDA, or other comparable foreign authorities, including the potential for such authorities to require that the Company perform more nonclinical studies or clinical trials than those that the Company currently expects or change their requirements on studies that had previously been agreed to;
- the ability for the Company to generate revenue from consulting based activities;
- the number of potential future pharmaceutical candidates identified and developed, either internally through the Company's research and development efforts or externally through acquisitions, licensing or other collaboration agreements;
- the costs involved in growing the Company's organization to the size needed to allow for the research, development and potential commercialization of the Company's current and any future pharmaceutical candidates;
- the costs of developing sales and marketing capabilities to target public and private healthcare providers and clinic networks in major markets;
- the costs of training and certifying therapists who are supporting or will support the Company's clinical trials;
- generating and collecting data and intellectual property; and strengthening the Company's regional presence as a scientific and clinical resource;
- the costs of developing and testing digital technology solutions;
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringements raised by third parties;
- the time and costs involved in obtaining regulatory approval for the Company's current or any future pharmaceutical candidates, and any delays The Company may encounter as a result of evolving regulatory requirements or adverse results with respect to its current or any future pharmaceutical candidates;

- selling and marketing activities undertaken in connection with the potential commercialization of the Company's current or any future pharmaceutical candidates, if approved, and costs involved in the creation of an effective sales and marketing organization; and
- the amount of revenue, if any, the Company may derive either directly or in the form of royalty payments from future sales of its current or any future pharmaceutical candidates, if approved.

Until the Company can generate sufficient revenue to finance its cash requirements, which the Company may never do, the Company expects to finance its future cash needs through a combination of equity offerings, debt financings, grant funding, revenue generating consultancy, strategic collaborations and alliances, licensing arrangements or monetization transactions.

The Company's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which the Company may have no or limited control. If adequate funds are not available on commercially acceptable terms when needed, the Company may be forced to delay, reduce or terminate the development or commercialization of all or part of its research programs or its current or any future pharmaceutical candidate, or the Company may be unable to take advantage of future business opportunities. Market volatility resulting and the related global economic impact or other factors could also adversely impact the Company's ability to access capital as and when needed.

The Company cannot guarantee that future financing will be available in sufficient amounts, or on commercially reasonable terms, or at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of Common Shares, the issuance of additional securities, whether equity or debt, by the Company, or the possibility of such issuance, may cause the market price of the Common Shares to decline. The incurrence of indebtedness could result in increased fixed payment obligations, and the Company may be required to agree to certain restrictive covenants, such as limitations on its ability to incur additional debt, limitations on its ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact the Company's ability to conduct its business. The Company could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and the Company may be required to relinquish rights to its current or any future pharmaceuticals candidates or otherwise agree to terms unfavorable to the Company, any of which may have a material adverse effect on the Company's business, operating results and prospects. Further, any additional fundraising efforts may divert the Company's management from its day-to-day activities, which may adversely affect the Company's ability to develop and commercialize its current or any future pharmaceutical candidates.

In addition, heightened regulatory scrutiny could have a negative impact on the Company's ability to raise capital. The Company's business activities rely on developing laws and regulations in multiple jurisdictions. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the Company's current, or any future pharmaceutical candidates may adversely affect the Company's business and operations, including without limitation, the Company's ability to raise additional capital.

## **Risks Related to the Company's Business and Industry**

### ***BVI Regulatory, Criminal and Civil Proceedings***

The Company's subsidiaries are held directly or indirectly through Biomind Research, a BVI company. The Molecules are strictly controlled substances under BVI law under the Drugs (Prevention of Misuse) Act 1988 and Drug Trafficking Offences Act 1992 (British Virgin Islands). There is a risk that BVI courts or applicable BVI or other governmental authorities may take the view that the business of the Company has violated their local laws, despite the Company having obtained all applicable licenses or authorizations

in applicable jurisdictions other than the BVI and despite the fact that the Company does not carry on business in the BVI. Therefore, there is a risk that civil and criminal proceedings could be initiated against the Company or its subsidiary Biomind Research and its directors and officers, in particular on the basis that any potential future benefits or proceeds of the Company or Biomind Research, if any, (including their own issued shares) may amount to, in the absence of further regulatory approval (receipt of which cannot be guaranteed), the proceeds of criminal conduct under applicable BVI anti-money laundering legislation. There is also a risk that BVI-based service providers may be unwilling to provide registered agent or corporate services to the Company or Biomind Research irrespective of whether any action is in fact taken by the BVI courts or authorities, which may lead to the relevant company being struck off and ultimately liquidated unless they are able to source alternative service providers. Due to the nature of its business activities, there is also a risk that the BVI authorities could seek to have Biomind Research wound up on the grounds of public interest and to appoint a liquidator to take possession of the Company's or Biomind Research's worldwide assets. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon the Company or its business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as impact upon the Company's reputation, including an outright inability of the Company to pay dividends or otherwise return value to investors.

### ***Early Stage of the Industry and Product Development***

Given the early stage of its product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Company currently has no products that have been approved by the ANVISA, the FDA, and other comparable foreign authorities. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates can fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive results of early nonclinical research may not be indicative of the results that will be obtained in later stages of nonclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favorable outcomes in later-stage clinical trials, and the Company can make no assurance that any future studies, if undertaken, will yield favorable results.

The early stage of the Company's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company is successful in developing its future product candidates into approved products, it will still experience many potential obstacles, which would affect its ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If the Company is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

The Company can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Company cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, nonclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, nonclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in nonclinical studies and clinical trials nonetheless failed to obtain approval from the ANVISA, the FDA, and other comparable foreign authorities. If the Company fails to produce positive results in future clinical trials and other programs, the development timeline and regulatory approval and commercialization prospects for the Company's leading product candidates, and, correspondingly, its business and financial prospects would be materially adversely affected.

Nonclinical testing and clinical trials for the Company's products may not achieve the desired results. The results of nonclinical testing and clinical trials are uncertain. Product approvals are subject to a number of contingencies and may not be obtained in the time expected or at all. The Company's products may not attract a following among patients, retailers and/or providers. The Company expects to face an inherent risk of exposure to product liability claims, regulatory action and litigation if the products it plans to distribute are alleged to have caused loss or injury. There can be no assurance that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities.

The Company's business relies on its ability to access, develop, and sell psychotropics. These are controlled substance in many jurisdictions, including in the U.S. and Canada. The Company may face difficulty accessing the public capital markets in Canada as a result of the response of regulators, stock exchanges, and other market participants to the Company's development and sale of a controlled substance. The Company may also have limited access to traditional banking services, as well as limited access to debt financing from traditional institutional lenders. The medical efficacy of the Molecules and other psychotropics has not been confirmed and requires further study and scientific rigor.

### ***Limited Product Scope***

The Company will be heavily reliant on the production and distribution of psychotropics and related products. If they do not achieve sufficient market acceptance, it will be difficult for the Company to achieve profitability.

The Company's future revenue may be derived in large part from sales of psychotropic based products, either directly or indirectly through partnership, sale, out licensing or other agreements. If the psychotropic market declines or psychedelics fail to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of psychotropic based products. Adverse publicity about psychotropic based products that the Company sells may discourage consumers from buying products distributed by the Company.

### ***Limited Marketing and Sales Capabilities***

The Company will, for the immediate future, have limited marketing and sales capabilities, and there can be no assurance that it will be able to develop or acquire these capabilities at the level needed to produce

and deliver for sale, through industry partners, its products in sufficient commercial quantities. Further, there can be no assurance that the Company, either on its own or through arrangements with other industry participants, will be able to develop or acquire such capabilities on a cost-effective basis, or at all. Finally, there can be no assurance that the Company's industry partners will be able to market or sell the Company's products in compliance with requisite regulatory protocols or on a cost-effective basis. The Company's dependence upon third parties for the production, and marketing or sale, as applicable, of the Company's products could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***No Assurance of Commercial Success***

The successful commercialization of the Company's products will depend on many factors, including the Company's ability to establish and maintain working partnerships with industry participants in order to market its products, the Company's ability to supply a sufficient amount of its products to meet market demand, and the number of competitors within each jurisdiction within which the Company may from time to time be engaged. There can be no assurance that the Company or its industry partners will be successful in their respective efforts to develop and implement, or assist the Company in developing and implementing, a commercialization strategy for the Company's products.

### ***Lack of Commercialization Experience of Novel Pharmaceuticals Based on Psychedelic molecules***

The Company may select to partner one or more products prior to late stage clinical development, or choose to out-licence one or more products following Phase IIa or Phase IIb. A strategy to partner or out-license products requires significant management resources and expense to negotiate such out-licencing deals and the Company may fail in identifying a suitable third party. The Company may not be successful in entering into arrangements with third parties to commercialize the Company's therapies or may be unable to do so on terms that are favorable to the Company.

Alternatively, if a Company product is approved for commercial sale, the Company may decide to establish its own market access and commercialization capabilities in primary markets in Europe and North America. In select geographies, the Company might also consider relying on the support of a contract sales organization or enter into commercialization arrangements with companies with relevant commercialization capabilities. There are risks involved in establishing the Company's own sales and marketing capabilities, as well as with entering into arrangements with third parties to perform these services. Even if the Company establishes sales and marketing capabilities, the Company may fail to launch the Company's products effectively or to market the Company's products effectively. In addition, recruiting and training a sales force is expensive and time-consuming, and could delay any product launch. In the event that any such launch is delayed or does not occur for any reason, the Company would have prematurely or unnecessarily incurred these commercialization expenses, and the Company's investment would be lost if the Company cannot retain or reposition the Company's sales and marketing personnel. Factors that may inhibit the Company's efforts to commercialize the Company's pharmaceuticals on the Company's own include:

- the Company's inability to gain access to an adequate number of healthcare institutions to meet the demand for DMT, 5-MeO-DMT and mescaline based pharmaceuticals;
- the Company's inability to recruit, train and retain effective market access and commercial personnel;
- the inability of commercial personnel to obtain access to or educate adequate numbers of physicians on the benefits of prescribing any future the Company's pharmaceuticals;



- unforeseen costs and expenses associated with creating an independent market access and commercial organization; and
- costs of market access and commercialization above those anticipated by the Company.

If the Company enters into arrangements with third parties to perform market access and commercial services for any approved product, the revenue or the profitability of this revenue to the Company could be lower than if the Company were to commercialize any approved product by its own. In addition, the Company may explore ways in which the Company can use digital technology to improve the patient experience and therapeutic outcomes of the Company's approved products. Commercialization partners may lack incentives to promote the Company's digital technology and the Company may face difficulties in implementing the Company's digital technologies through such third parties.

If the Company does not establish commercial capabilities successfully, either on the Company's own or in collaboration with third parties, the Company may not be successful in commercializing the Company's approved products, which in turn would have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

### ***Achieving Publicly Announced Milestones***

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of results from clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. Any variation in the timing of previously announced milestones could have a material adverse effect on the Company's business plan, financial condition or operating results and the trading price of the Common Shares.

### ***Market Access and Acceptance***

The Company may never have a product that is commercially successful. To date, the Company has no product authorized for development and sale. The Company's future pharmaceuticals require further clinical investigation, regulatory review, significant market access and marketing efforts and substantial investment before it can produce any revenue. Furthermore, if approved, the Company's approved products may not achieve an adequate level of acceptance by payors, health technology assessment bodies, healthcare professionals, patients and the medical community at large, and the Company may not become profitable. The level of acceptance the Company ultimately achieves may be affected by negative public perceptions and historic media coverage of psychotropic substances. Because of this history, efforts to educate the medical community and third-party payors and health technologies assessment bodies on the benefits of the Company's approved products may require significant resources and may never be successful, which would prevent the Company from generating significant revenue or becoming profitable. Market acceptance of the Company's future pharmaceuticals by healthcare professionals, patients, healthcare payors and health technology assessment bodies will depend on a number of factors, many of which are beyond the Company's control, including, but not limited to, the following:

- acceptance by healthcare professionals, patients and healthcare payors of each therapy as safe, effective and cost-effective;
- changes in the standard of care for the targeted indications for any product candidate;

- the strength of sales, marketing and distribution support;
- potential product liability claims;
- the product candidate's relative convenience, ease of use, ease of administration and other perceived advantages over conventional medicines;
- the prevalence and severity of adverse events or publicity;
- limitations, precautions or warnings listed in the summary of therapeutic characteristics, patient information leaflet, package labeling or instructions for use;
- the cost of treatment with the Company's pharmaceuticals in relation to alternative medications;
- the steps that prescribers and dispensers must take, as well as the perceived risks based upon its controlled substance status;
- the ability to manufacture the Company's product in sufficient quantities and yields with adequate purity;
- the availability and amount of coverage and reimbursement from healthcare payors, and the willingness of patients to pay out of pocket in the absence of healthcare payor coverage or adequate reimbursement;
- the willingness of the target patient population to try, and of healthcare professionals to prescribe, the Company's approved products;
- any potential unfavorable publicity, including negative publicity associated with recreational use or abuse of psychotropic substances;
- any restrictions on the use, sale or distribution of the Company's future candidates;
- the extent to which products are approved for inclusion and reimbursed on formularies of hospitals and managed care organizations; and
- whether the Company's products are designated under physician treatment guidelines or under reimbursement guidelines as a first-line, second-line, third-line or last-line therapy.

If the Company's future candidates fail to gain market access and acceptance, this will have a material adverse impact on the Company's ability to generate revenue to provide a satisfactory, or any, return on the Company's investments. Even if some products achieve market access and acceptance, the market may prove not to be large enough to allow the Company to generate significant revenue.

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the psychotropic industry. A failure in the industry demand for the Company's psychotropic products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

### ***Unfavourable Publicity or Consumer Perception***

The Company believes the psychotropic industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psychotropic products. Consumer perception of the Company's psychotropic products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of psychedelics. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the psychotropic industry or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory

proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's psychotropic products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's psychotropic products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of psychotropic substances in general, or the Company's future psychotropic products and services specifically, or associating the consumption of psychotropics with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

The psychotropic industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the psychotropic substances distributed for medical purposes to such consumers. There can be no assurance that future scientific research or findings on the medical benefits, viability, safety, efficacy and dosing of these substances or isolated constituents, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the industry or the Company or any particular product, or consistent with earlier publicity.

### ***Social Media***

There has been a recent marked increase in the use of social media platforms and similar channels that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. Information posted about the Company may be adverse to the Company's interests or may be inaccurate, each of which may harm the Company's business, financial condition and results of operations.

### ***Biotechnology and Pharmaceutical Market Competition***

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The Company's competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing pharmaceuticals for the same indications the Company is targeting and competitors with existing marketed therapies. Current marketed products and therapies include antidepressants such as antipsychotics, cognitive behavioural therapy, electroconvulsive therapy, and esketamine and ketamine. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which the Company's product candidates may be useful.

Many of the Company's competitors have substantially greater financial, technical and human resources than the Company does and have significantly greater experience than the Company in conducting nonclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, the Company's competitors may succeed in obtaining regulatory approval for products more rapidly than the Company does. The Company's ability to compete successfully will largely depend on:

- the efficacy and safety profile of its product candidates relative to marketed products and other product candidates in development;

- the Company's ability to develop and maintain a competitive position in the product categories and technologies on which it focuses;
- the time it takes for the Company's product candidates to complete clinical development and receive marketing approval;
- the Company's ability to partner and/or outlicense product candidates for late stage development;
- the Company's ability to obtain required regulatory approvals;
- the Company's ability to commercialize any of its product candidates that receive regulatory approval;
- the Company's ability to establish, maintain and protect intellectual property rights related to its product candidates; and
- acceptance of any of the Company's product candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors may develop technologies that could be the basis for products that challenge the discovery research capabilities of products the Company may develop in the future. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's future product candidates and may be more effective or less costly than the Company's future product candidates. The success of the Company's competitors and their products and technologies relative to the Company's technological capabilities and competitiveness could have a material adverse effect on the future nonclinical studies and clinical trials of the Company's future product candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact the Company's ability to generate future product development programs using psychotropic inspired compounds.

If the Company is not able to compete effectively against its current and future competitors, the Company's business will not grow, and its financial condition and operations will substantially suffer.

Further, there can be no assurance that potential competitors of the Company, which may have greater financial, production, sales and marketing experience, and personnel and resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's business, products and strategies, as applicable, ineffective, or obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

### ***Decriminalisation of psychedelics***

Despite the current status of many psychotropic substances as Schedule I controlled substances in the Canada and the United States, there may be changes in the status of some of these substances under the laws of certain jurisdictions. Possession of psilocybin, for example, was voted to be decriminalised in May 2019 in Denver and in November 2020, voters in Oregon approved the legal medical use of "psilocybin products," including magic mushrooms, to treat mental health conditions in licensed facilities with registered therapists (Measure 109). The legalization of psychedelics with inadequate regulatory oversight may lead to the development of psychotropic tourism in such states in clinics without proper therapeutic infrastructure or adequate clinical research. The expansion of such an industry which could put patients at risk may bring reputational and regulatory risk to the entire industry, leading to challenges for the Company to achieve regulatory approval. The legalization of psilocybin, and potentially other psychotropic compounds in the future may also impact commercial sales for the Company due to a reduced barrier to entry leading to a risk of increasing competition.

### ***Enforcing contracts***

Due to the nature of the business of the Company and the fact that certain of its contracts involve psychotropic substances, the use of which is not legal under U.S. or Canadian law and in certain other jurisdictions, the Company may face difficulties in enforcing its contracts in the courts in Canada or the U.S. The inability to enforce any of its contracts could have a material adverse effect on its business, operating results, financial condition or prospects.

In order to manage its contracts with contractors, the Company will ensure that such contractors are appropriately licensed. Were such contractors to operate outside the terms of these licenses, the Company may experience an adverse effect on its business, including the pace of development of its product.

### ***Business Expansion and Growth***

The Company operates in a rapidly evolving industry and, as such, management may evaluate opportunities for strategic growth through acquisitions. Potential issues associated with these acquisitions could include, among other things, the Company's ability to realize the full extent of the benefits or cost savings that it expects to realize as a result of the completion of the acquisition within the anticipated time frame, or at all; receipt of necessary consents, clearances and approvals in connection with the acquisition; diversion of management's attention from base strategies and objectives; and, with respect to acquisitions, the Company's ability to successfully combine its businesses with the business of the acquired company in a manner that permits cost savings to be realized, including sales and administrative support activities and information technology systems among the Company and the acquired company, motivating, recruiting and retaining executives and key employees, conforming standards, controls, procedures and policies, business cultures and compensation structures among the Company and the acquired company, consolidating and streamlining corporate and administrative infrastructures, consolidating sales and marketing operations, retaining existing customers and attracting new customers, identifying and eliminating redundant and underperforming operations and assets, coordinating geographically dispersed organizations, and managing tax costs or inefficiencies associated with integrating the Company's operations following completion of the acquisitions. The process of integrating acquired companies and operations into the Company's operations may result in unforeseen operating difficulties and may require significant financial resources and management's time and attention that would otherwise be available for the ongoing development or expansion of its existing operations. If an acquisition is not successfully completed or integrated into the Company's existing operations, its business, results of operations and financial condition could be materially adversely impacted.

The Company may in the future seek to expand its pipeline and capabilities by entering into collaborations, acquiring one or more companies or businesses, or in-licensing one or more product candidates. Collaborations, acquisitions, and in-licenses involve numerous risks, including, but not limited to substantial cash expenditures, technology development risks, potentially dilutive issuances of equity securities, incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of deal negotiation, difficulties in assimilating the operations of the companies with the Company, entering markets in which the Company has limited or no direct experience, and potential loss of the Company's key employees or key employees of the acquired or collaborating companies or businesses.

The Company has limited experience in making acquisitions, entering collaborations and in-licensing product candidates and therefore cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, the Company's future success would depend in part on its ability to manage the rapid growth associated with some of these

acquisitions, collaborations and in-licenses. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

### ***Reliance on Key Executives and Scientists***

The loss of key members of the Company's staff could harm the Company. The Company does not have employment agreements with all members of its staff, although such employment agreements do not guarantee their retention. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its activities and seeks regulatory approvals for clinical trials. The Company enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company also enters into agreements with physicians and institutions who will recruit patients into the Company's clinical trials on its behalf in the ordinary course of its business. Should key academic and scientific personnel including employees or collaborative partners who work on the development of the Company's research activities leave, the Company's current and future development programmes may be delayed or adversely affected. Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. In addition, due to limited financial resources, the Company may not be able to successfully expand its operations due to challenges in recruiting and training qualified new staff. Expansion of personnel may result in significant diversion of management time and resources. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

### ***Liability Arising from Fraudulent or Illegal Activity***

The Company is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Company's behalf or in its service that violate (i) various laws and regulations, including healthcare laws and regulations, (ii) laws that require the true, complete and accurate reporting of financial information or data, (iii) the terms of the Company's agreements with third parties. Such misconduct could expose the Company to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Such misconduct may result in legal action, significant fines or other sanctions and could result in loss of any regulatory license held by the Company at such time. The Company may be subject to security breaches at its facilities or in respect of electronic document or data storage, which could lead to breaches of applicable privacy laws and associated sanctions or civil or criminal penalties; events, including those beyond the control of the Company, may damage its operations. In addition, these events may negatively affect customers' demand for the Company's products. Such events include, but are not limited to, non-performance by third party contractors; increases in materials or labor costs; breakdown or failure of equipment; failure of quality control processes; contractor or operator errors; and major incidents and/or

catastrophic events such as fires, explosions, earthquakes, or storms. As a result, there is a risk that the Company may not have the capacity to meet customer demand or to meet future demand when it arises. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's manufacturing operations.

### ***Conflicts of Interest***

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. The Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These outside business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company, and from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

### ***Operating Risk and Insurance Coverage***

The Company does not have adequate insurance to protect all its assets, operations and employees. While the Company may, in the future obtain insurance coverage to address all material risks to which it is exposed and is adequate and customary in its proposed state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is expected to be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

### ***Emerging Market Risks***

The Company has operations in Brazil and Uruguay, both emerging market countries, and may have operations in additional emerging markets in the future. Such operations expose the Company to the socio-economic conditions as well as the laws governing the activities of the Company in Brazil and Uruguay and any other jurisdiction where the Company may have operations in the future. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign

exchange and repatriation; and changing political norms, banking and currency controls and governmental regulations that favor or require the Company to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

The Brazilian and Uruguayan government, or other governments in emerging markets where the Company may have operations in the future, may intervene in its economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in the research, cultivation and development of the Molecules and other policies or shifts in political attitude in Brazil or Uruguay or other countries where the Company may have operations in the future may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could materially impact the Company's operations in Brazil or Uruguay or other countries where the Company may have operations in the future. The Company continues to monitor developments and policies in Brazil and Uruguay to assess the impact thereof to its operations or future operations; however, such developments cannot be predicted and could have an adverse effect on the Company's operations in Brazil and Uruguay.

Brazil and Uruguay have a history of political and economic instability. While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect the Company's business, financial condition and results of operations.

At the end of 2001 and into 2002, a banking crisis erupted in Uruguay as a result of the financial crisis in neighbouring Argentina and the capital controls and deposit freezes imposed in response by the Argentine government. As a result of high levels of exposure to Argentina, banks in Uruguay began facing liquidity problems, causing large waves of deposit withdrawals from the Uruguayan banking sector, severely impacting solvency of banks, lending, liquidity and economic growth. Future banking crises, including those triggered by neighboring countries, could occur in Uruguay, which could materially and adversely affect the Company's business, financial condition and the results of its operations, or the market price of the Common Shares.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of emerging markets, including Brazil and Uruguay. Such events could materially and adversely affect the Company's business, financial condition and results of operations.

Financial and securities markets in Brazil and Uruguay are influenced by the economic and market conditions in other countries, including other emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Brazil and Uruguay, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into Brazil and Uruguay and the market value of the securities of the Company.

The legal and regulatory requirements and local business culture and practices in Brazil and Uruguay and the foreign countries in which the Company may expand are different from those in which it currently operates. The officers and directors of the Company will rely, to a great extent, on the Company's local legal counsel and local consultants and advisors in respect of legal, banking, labour, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations, particularly with respect to the Molecules or related operations. Increased compliance costs may be incurred by the Company. Further, there can be no assurance



that the Company will develop a marketable product or service in Brazil and Uruguay or any other foreign country. These factors may have a material adverse effect on the Company's research and development business and the results of its research and development operations.

In the event of a dispute arising in connection with the Company's operations in Brazil or Uruguay or another foreign jurisdiction where the Company may conduct business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control.

Other risks include the potential for fraud and corruption by suppliers or personnel or government officials which may implicate the Company, compliance with applicable anti-corruption laws, including the *Corruption of Foreign Public Officials Act* (Canada) by virtue of the Company's operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions and the Company's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations applicable regulatory requirements.

### ***Foreign Operations***

The Company's business activities are conducted in Brazil and Uruguay. As a result, the Company may be subject to political, economic and other uncertainties, including, but not limited to, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections.

Additional implications that may have a material impact on the Company's ability to operate in other jurisdictions include:

- differences in the regulatory requirements for drug approvals;
- differing requirements for securing, maintaining or obtaining freedom to operate;
- the potential for reduced protection for intellectual property rights;
- challenges with compliance to different regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations;
- differing reimbursement regimes and price controls in certain international markets; and
- differing labor relations that create challenges with staffing and managing international operations.

The Company's international operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or enforcing Canadian judgments in foreign jurisdictions.

### ***Dependence on Foreign Subsidiaries***

The Company is a holding company that conducts substantially all of its operations through its subsidiaries incorporated outside of Canada. The Company has no direct operations and no significant assets other than the shares of its subsidiaries and cash proceeds received from any financings, which cash is subsequently provided to the Company's subsidiaries for operating expenses. Assuming this holding company structure remains, the Company will be dependent on the cash flows from its subsidiaries to meet its obligations. The ability of certain of the Company's subsidiaries to provide the Company with payments may be constrained by the following factors: (i) the cash flows generated by operations, investment activities and financing activities; and (ii) the level of taxation, particularly corporate profits and withholding taxes.

Cash flows from the Company's subsidiaries will depend, in the long term, on the subsidiaries' ability to generate operating cash flows in excess of their own capital expenditures. In addition, the Company's subsidiaries are separate and distinct legal entities that could be precluded from making such cash distributions to the Company under certain circumstances, including as a result of legislation or regulation or in times of financial distress. The ability of the Company's subsidiaries to make payments to the Company may be constrained by the level of taxation, particularly corporate profits and withholding taxes, in the jurisdictions in which they operate, and the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

### ***Brazilian Political and Economic Conditions***

Political and economic conditions directly affect our business and can result in a material adverse effect on the Company. Macroeconomic policies imposed by the Brazilian government can have significant impact on Brazilian companies or companies with significant operations in Brazil, including the Company.

The Brazilian economy has been characterized by frequent and occasionally significant intervention by the Brazilian government and unstable economic cycles. The Brazilian government has often changed monetary, taxation, credit and other policies to influence the course of Brazil's economy. The Brazilian government's actions to control inflation have at times involved setting wage and price controls, blocking access to bank accounts, imposing exchange controls, capital inflow and outflow controls and limiting imports and exports.

The Company cannot control or predict whether the current Brazilian government will implement changes to existing policies or the impact such changes may have on the Company's operations in Brazil and, consequently, its business. The Company's business, operating results and financial condition and prospects, as well as the market price of its securities, may be adversely affected by changes in Brazil's public policies, whether federal, state or local, that affect, without limitation:

- inflation;
- fluctuations in exchange rates;
- exchange controls and restrictions on remittances abroad, such as those imposed in 1989 and early 1990;
- interest rates and monetary policies;
- import and export controls;
- liquidity of domestic capital, credit and financial markets;
- expansion or contraction of the Brazilian economy, as measured by rates of growth in gross domestic product, or GDP;
- fiscal policies; and

- other political, social and economic developments in or affecting Brazil.

Government policies and measures to combat inflation, along with public speculation about such policies and measures, have often had adverse effects on the Brazilian economy, contributed to economic uncertainty in Brazil and increased volatility in the Brazilian securities markets. The Brazilian government's actions to control inflation have often involved price and salary controls, currency devaluations, capital limitations, limits on imports and other actions.

Other policies and measures adopted by the Brazilian government, including interest rate adjustments, intervention in the currency markets or actions to adjust or fix the value of the real may adversely affect the Brazilian economy, the Company's business and results of operations.

Uncertainty over whether the Brazilian federal government will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in Brazil, which may in turn have adverse effects on the Company's operations in Brazil and consequently on the results of its operations. Recent economic and political instability has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets.

### ***Risk Inherent in Foreign Investment in Brazil***

The government of Brazil has exercised and is likely to continue to exercise substantial influence over many aspects of the Brazilian private sector. Accordingly, government actions in the future could have a significant effect on economic conditions in Brazil, and otherwise have a material effect on the Company's operations.

Foreign exchange controls, expropriation, confiscatory taxation, removal of tax holidays or benefits, nationalization, political, economic or social instability, regulatory changes or other developments could materially adversely affect the Company and its operations.

Applicable agreements relating to the Company's business operations are governed by Brazilian law and are subject to dispute resolution in the courts of, or through arbitration proceedings in, Brazil. The Company cannot accurately predict whether such forums will provide it with an effective and efficient means of resolving disputes that may arise in the future.

### ***Effects of Inflation in Brazil***

Brazil has experienced extremely high rates of inflation for many years. Inflation itself, as well as certain governmental efforts to combat inflation, have had significant negative effects on the Brazilian economy. Past governmental efforts to curb inflation also involved other more drastic economic measures, which had a materially adverse impact on the level of economic activity in Brazil. Any similar future measures could be expected to have similar adverse effects on the level of economic activity in Brazil and, in turn, on the operations of the Company.

### ***Estimates or Judgments Relating to Critical Accounting Policies***

The preparation of financial statements in conformity with the International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be

adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause its operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. Significant assumptions and estimates will be used in preparing the financial statements including those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

### ***Use of Artificial Intelligence***

The Company does not currently use artificial intelligence ("AI") technologies in its operations, research, or development activities. However, the Company may in the future elect to adopt or integrate AI tools to support its business activities, including in areas such as drug discovery, data analysis, regulatory submissions, or general business operations.

If the Company were to adopt AI technologies, it could face a number of associated risks, including: the potential for inaccurate or unreliable outputs that could adversely affect research conclusions or business decisions; cybersecurity and data privacy risks arising from the use of AI systems that process proprietary or sensitive information; uncertainty regarding the evolving regulatory and legal landscape governing AI, including potential requirements under applicable Canadian federal and provincial legislation; risks relating to intellectual property ownership of AI-generated work product; and risks of bias or error in AI models that could lead to flawed analysis or non-compliance with regulatory standards applicable to biopharmaceutical development.

There is no assurance that AI tools, if adopted, would enhance the Company's operations or that the Company would be able to manage the associated risks effectively. The failure to do so could have an adverse effect on the Company's business, financial condition, and results of operations.

### **Risks Related to Regulatory Compliance**

#### ***Products Subject to Controlled Substance Laws and Regulations***

The psychotropic drug industry is a fairly new industry, and the Company cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by government authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company.

The success of the Company's business is dependent on the reform of controlled substances laws pertaining to psychotropic substances. If controlled substances laws are not favorably reformed in the U.S., Canada, and other global jurisdictions, the commercial opportunity that the Company is pursuing may be highly limited.

The Company makes no medical or treatment claims about tryptamine-based treatments or the Company's proposed future products. Statements regarding tryptamine-based treatments have not been evaluated by the ANVISA, the FDA, and other comparable foreign authorities, nor has the efficacy of tryptamine-based treatments been confirmed by the ANVISA, the FDA-approved research. There is no assurance that tryptamine-based treatments can be used to diagnose, treat, cure or prevent any disease or condition. Robust scientific research is needed. In addition, the Company has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy and safety of potential products are not intended to imply that such claims have been verified in clinical trials or that the Company will be able to

complete such trials. If the Company is not able to obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company's performance and operations.

### ***Nature of Regulatory Approvals***

The Company's development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the ANVISA, the FDA, and other comparable foreign authorities. Regulatory approvals are required prior to each clinical trial, and the Company may fail to obtain the necessary approvals to commence or continue clinical testing. The Company must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before it can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of nonclinical studies and clinical trials. Any analysis of data from clinical activities the Company performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if the Company believes results from its sponsored clinical trials are favorable to support the marketing of its product candidates, the ANVISA, the FDA, and other comparable foreign authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. Such requirements for additional data may result in the Company incurring additional unanticipated costs in order to meet requirements for approval within such jurisdiction.

The Company has not obtained regulatory approval for any product candidate, and it is possible that none of its existing product candidates or any future product candidates will ever obtain regulatory approval. The Company could fail to receive regulatory approval for its product candidates for many reasons, including, but not limited to failure to demonstrate that a product candidate is safe and effective for its proposed indication, failure of clinical trials to meet the level of statistical significance required for approval, failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks, or deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom the Company contracts for clinical and commercial supplies to pass a pre-approval inspection.

A regulatory authority may require more information, including additional nonclinical or clinical data to support approval, which may delay or prevent approval and the Company's commercialization plans, or the Company may decide to abandon the development program. If the Company were to obtain approval, regulatory authorities may approve any of its product candidates for fewer or more limited indications than the Company request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with the Company's product candidates that garner approval, the ANVISA, the FDA, and other comparable foreign authorities may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

If there are changes in the application of legislation, regulations or regulatory policies, or if problems are discovered with the Company products, or if one of its distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on the Company, imposing restrictions on the Company's products or its manufacture and requiring the Company to recall or remove its products from the market. The regulators could also suspend or withdraw the Company's marketing authorizations, requiring it to conduct additional clinical trials, change its labeling or submit additional applications for marketing authorization. If any of these events occurs, the Company's ability to sell its products may be impaired, and it may incur substantial additional expense to

comply with regulatory requirements, which could materially adversely affect its business, financial condition and results of operations.

### ***Continued Regulatory Review and Obligations***

If the ANVISA, the FDA, or any other comparable regulatory authority approves any the Company therapeutic candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the therapy and underlying therapeutic substance will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practices (“cGMPs”), and with good clinical practices, or GCPs, for any clinical trials that the Company conduct post-approval, all of which may result in significant expense and limit the Company’s ability to commercialize such therapies. Later discovery of previously unknown problems with any approved therapeutic candidate, including adverse events of unanticipated severity or frequency, or with the Company’s third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, distribution, marketing or manufacturing of any future therapeutic candidates, withdrawal of the product from the market, or product recalls;
- untitled and warning letters, or holds on clinical trials;
- refusal by the ANVISA, the FDA, or other comparable foreign authorities to approve pending applications or supplements to approved applications the Company filed or suspension or revocation of license approvals;
- requirements to conduct post-marketing studies or clinical trials;
- restrictions on coverage by third-party payors;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

In addition, any regulatory approvals that the Company receive for any future therapeutic candidates may also be subject to limitations on the approved indicated uses for which the therapy may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase IV clinical trials, and surveillance to monitor the safety and efficacy of such therapeutic candidates.

If there are changes in the application of legislation, regulations or regulatory policies, or if problems are discovered with the Company’s future products or the Company’s manufacture of an underlying therapeutic substance, or if the Company or one of the Company’s distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on the Company, imposing restrictions on the therapeutic or its manufacture and requiring the Company to recall or remove the therapeutic from the market. The regulators could also suspend or withdraw the Company’s marketing authorizations, requiring the Company to conduct additional clinical trials, change the Company’s therapeutic labeling or submit additional applications for marketing authorization. If any of these events occurs, the Company’s ability to sell such therapy may be impaired, and the Company may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect the Company’s business, financial condition and results of operations.

## **Risks Related to Clinical Development**

### ***Reliance on Third Parties for Clinical Development Activities***

The Company relies on and will continue to rely on third parties to conduct a significant portion of its nonclinical and clinical development activities. For example, clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs will face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

### ***Risks Related to Third Party Relationships***

The Company intends to enter into strategic alliances with third parties that the Company believes will complement or augment its proposed business or will have a beneficial impact on the Company. Strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition to the foregoing, the success of the Company's business depends, in large part, on the Company's ability to enter into, and maintain collaborative arrangements with various participants in the psychotropic industry. There can be no assurance that the Company will be able to enter into collaborative arrangements in the future on acceptable terms, if at all. There can be no assurance that such arrangements will be successful, that the parties with which the Company has or may establish arrangements will adequately or successfully perform their obligations under such arrangements, that potential partners will not compete with the Company by seeking or prioritizing alternate, competitor products. The termination or cancellation of any such collaborative arrangement or the failure of the Company and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, disagreements between the Company and any of its industry partners could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Safety and Efficacy of Future Products***

Before obtaining marketing approval from regulatory authorities for the sale of the Company's future product candidates, the Company must conduct nonclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of nonclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of its future product candidates under development will successfully gain market approval from the ANVISA, the FDA, or other comparable foreign authorities, resulting in the Company (and its partners) being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Clinical trials are conducted in representative samples of the potential patient population which may have significant variability. Clinical trials are by design based on a limited number of subjects and of limited duration for exposure to the product used to determine whether, on a potentially statistically significant basis, the planned safety and efficacy of any such product can be achieved. As with the results of any statistical sampling, the Company cannot be sure that all side effects of its products may be uncovered, and it may be the case that only with a significantly larger number of patients exposed to such products for a longer duration, may a more complete safety profile be identified. Further, even larger clinical trials may not identify rare serious adverse effects or the duration of such studies may not be sufficient to identify when those events may occur. There have been products that have been approved by the regulatory authorities but for which safety concerns have been uncovered following approval. Such safety concerns have led to labelling changes or withdrawal of such products from the market, and the Company's products may be subject to similar risks. The Company might have to withdraw or recall its products from the marketplace. The Company may also experience a significant drop in the potential future sales of its products if and when regulatory approvals for such products are obtained, experience harm to its reputation in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent any sales of the Company's products, or substantially increase the costs and expenses of commercializing and marketing its products.

### ***Reliance on Contract Manufacturers***

The Company has limited manufacturing experience and relies on CMOs to manufacture its prescription drug product candidates for preclinical studies and clinical trials. The Company relies on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP regulations applicable to its products. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. There can be no assurances that CMOs will be able to meet the Company's timetable and requirements. The Company has not contracted with alternate suppliers for drug substance production in the event that the current provider is unable to scale up production, or if it otherwise experiences any other significant problems. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Company may be delayed in the development of its prescription drug product candidates. Further, CMOs must operate in compliance with cGMP and ensure that their appropriate permits and licences remain in good standing and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacture of its products may adversely affect its profit margins and its ability to develop and deliver products on a timely and competitive basis.

### ***Clinical Testing and Commercialization of Product Candidates***

The Company cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Company's product development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before the Company, which would impair the Company's ability



to successfully commercialize its product candidates and may harm its financial condition, results of operations and prospects.

The commencement and completion of clinical trials for the Company's products may be delayed for a number of reasons, including but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing clinical trials on hold;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of the Company's CMOs to comply with cGMP requirements;
- any changes to the Company's manufacturing process that may be necessary or desired, delays or failure to obtain clinical supply from CMOs of the Company's products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials, reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- clinical investigators not performing the Company's clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of the Company's contract research organizations to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities;
- regulatory authorities or ethics committees finding regulatory violations that require the Company to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- delays in or failure to recruit a sufficient number of suitable patients to participate in a trial;
- availability of adequately trained therapists and appropriate third-party clinical trial sites for the conduct of the therapy sessions, including preparation, dosing and integration of the therapeutic experience;
- sufficiency of any supporting digital services that may form part of the preparation, integration or long-term follow-up relating to any therapy the Company develops;
- failure to have patients complete a trial or return for post-treatment follow-up;
- one or more regulatory authorities or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial;
- failure to reach agreement on acceptable terms with prospective clinical trial sites; or
- business interruptions resulting from geo-political actions, including war and terrorism, natural disasters including earthquakes, typhoons, floods and fires, pandemics, or failures or significant downtime of the Company's information technology systems resulting from cyber-attacks on such systems or otherwise.

The Company's product development costs will increase if it experiences delays in testing or approval or if the Company needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Company may need to amend study protocols to reflect these changes. Amendments may require the Company to resubmit its study protocols to regulatory

authorities or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Company's business, financial condition, and prospects.

### ***Clinical Trial Publications***

From time to time, the Company may publish interim, top-line or preliminary data from the Company's clinical trials. The Company may decide to conduct an interim analysis of the data after a certain number or percentage of subjects have been enrolled, but before completion of the trial. Similarly, the Company may report top-line or preliminary results of primary and key secondary endpoints before the final trial results are completed. Interim, top-line and preliminary data from the Company's clinical trials may change as more patient data or analyses become available. Preliminary, top-line or interim data from the Company's clinical trials are not necessarily predictive of final results. Interim, top-line and preliminary data are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues, more patient data become available, and the Company issues the Company's final clinical trial report. Interim, top-line and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data the Company previously published. As a result, interim, top-line and preliminary data should be viewed with caution until the final data are available. Material adverse changes in the final data compared to the interim data could significantly harm the Company's business prospects.

Further, others, including regulatory agencies, may not accept or agree with the Company's assumptions, estimates, calculations, conclusions, or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular therapeutic candidate and the Company's company in general, and regulatory agencies may request further data from the U.S. In addition, you or others may not agree with what the Company determines is the material or otherwise appropriate information to include in the Company's disclosure, and any information the Company determines not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular therapeutic candidate. If the top-line data that the Company reports differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, the Company's ability to obtain approval for, and commercialize any future product candidate, the Company's business, operating results, prospects, or financial condition may be harmed.

### ***Completion of Clinical Trials***

As the Company's product candidates advance from nonclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Company will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Company may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all. The factors that affect the Company's ability to enroll patients are largely uncontrollable and include but are not limited to the size and nature of the patient population, eligibility and exclusion criteria for the trial, design of the clinical trial, competition with other companies for clinical sites or patients, perceived risks and benefits of the product candidate, and the number, availability, location and accessibility of clinical trial sites.

Such delays in completing its clinical trials will likely increase costs as well as slow down the future development programme and path to approval. Depending on the nature of the delay, such factors may lead to the denial of regulatory approval or the Company's therapeutic candidates. Significant delays to the development programme may alternatively lead to additional competitors to bring their therapies to market

ahead of the Company as well as reduce the duration to which it holds certain exclusive rights. Such occurrences may harm the overall business, financial status, prospect, and reputation of the Company.

Any side effects identified throughout the development programme could lead to interruptions, delays or halting of the clinical trial. This could lead to denial of regulatory approval or the requirement for a more restrictive label. The Company cannot make any assurance that its therapeutic candidates do not lead to any undesirable or unacceptable serious side effects, or even death. In the event of a serious side effect, it is likely the overseeing regulatory authority will order the Company to cease further development of or deny approval of the therapeutic candidate of any related candidate. It is possible that even after market approval, new side effects are uncovered as a result of exposure of therapeutic candidates to a much greater patient population for an extended duration. Should new safety concerns be uncovered following approval, the regulatory authorities may request new labelling changes, or even complete withdrawal of the candidate from the market. This could lead to significant impact on future sales on the therapeutic candidate, reputational harm, and potential litigation risks.

Variability in the psychological experience encountered by subjects may lead to certain subjects encountering a negative experience. Such experience may result in liability claims or public reputational damage to the company. Such occurrences may harm the overall business, financial status, prospect, and reputation of the Company.

### ***Later Stage Clinical Trials Failure***

Therapeutic candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through nonclinical studies and initial clinical trials. Furthermore, there can be no assurance that any of the Company's clinical trials will ultimately be successful or support further clinical development of any future therapeutic candidates. There is a high failure rate for drugs proceeding through clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in clinical development even after achieving promising results in earlier studies.

Research and development of drugs targeting the central nervous system is particularly difficult, which makes it difficult to predict and understand why the drug has a positive effect on some patients but not others.

Discovery and development of new drugs targeting central nervous system disorders are particularly difficult and time-consuming, evidenced by the higher failure rate for new drugs for central nervous system disorders compared with most other areas of drug discovery. Any such setbacks in the Company's clinical development could have a material adverse effect on the Company's business and operating results. In addition, the Company's later stage clinical trials may present challenges related to conducting adequate and well-controlled clinical trials, including designing an appropriate comparator arm in trials given the potential difficulties related to maintaining the blinding during the trial or placebo or nocebo effects.

Due to the complexity of the human brain and the central nervous system, it can be difficult to predict and understand why a drug may have a positive effect on some patients but not others and why some individuals may react to the drug differently from others.

### ***Negative Results of External Clinical Trials or Studies***

From time to time, studies, or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the

Company's product candidates, or the therapeutic areas in which the Company's product candidates compete could cause the Company or a partner licensee to delay or suspend its studies or clinical trials. Such negative results or delays in clinical trials could adversely affect the Company's share price and its ability to finance future development of its product candidates, and the Company's business and financial results could be materially and adversely affected.

### ***Economic Substance Requirements***

During 2017, the European Union Economic and Financial Affairs Council released a list of non-cooperative jurisdictions for tax purposes. The stated aim of this list, and accompanying report, was to promote good governance worldwide in order to maximize efforts to prevent tax fraud and tax evasion. The BVI was not on the list of non-cooperative jurisdictions but did feature in the report (along with approximately 40 other jurisdictions) as having committed to address concerns relating to economic substance by December 31, 2018. In accordance with that commitment and in line with similar initiatives put forward by the Organization for Economic Co-operation and Development, the BVI enacted the *Economic Substance (Companies and Limited Partnerships) Act 2018* (the "**ES Act**") which requires certain entities registered in the BVI engaged in "relevant activities" to maintain a substantial economic presence in the BVI and to satisfy economic substance requirements. The list of "relevant activities" includes carrying on as a business any one or more of: banking, insurance, fund management, financing and leasing, headquarters, shipping, distribution and service centre, intellectual property and pure equity holding entities. If the Company or any of its BVI subsidiaries were to carry on any relevant activity, then unless it were to qualify for exemption as a tax "non-resident" company, it would be required to increase its economic substance in the BVI to satisfy such requirements, which could result in additional costs that could adversely affect our financial condition or results of operations (particularly in the case of any intellectual property business). If a company is required to satisfy economic substance requirements in the BVI but fails to do so, it could face spontaneous disclosure to competent authorities in overseas jurisdictions of the information filed by the company with the International Tax Authority and the Financial Investigation Agency in connection with the economic substance requirements and beneficial and legal ownership of the company and may also face financial penalties, restriction or regulation of its business activities and/or may be struck off or liquidated as a registered entity in the BVI. Any failure to comply with the ES Act or related legislation could adversely affect the operations and prospects of the Company or its BVI subsidiaries, as applicable.

### **Risks Related to Intellectual Property**

#### ***Reliance on Patents and Other Intellectual Property Rights***

The Company's commercial success depends in part on obtaining and maintaining patents and other forms of intellectual property rights for its future therapeutic candidates and associated therapies, digital therapies, methods used to manufacture the underlying therapeutic substances, and the methods for treating patients using those substances and therapies, or on licensing in such rights. Failure to obtain, maintain protect, enforce or extend adequate patent and other intellectual property rights could materially adversely affect the Company's ability to develop and market its future therapeutic candidates. The Company also relies on trade secrets and know-how to develop and maintain its proprietary and intellectual property position. Any failure to protect its trade secrets and know-how could adversely affect the Company's operations and prospects.

The Company cannot be certain that patents will be issued or granted with respect to existing or future patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid or unenforceable. The patent position of companies like the Company is generally uncertain because it involves complex legal and factual considerations. The standards applied to foreign patent offices in

granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in pharmaceutical patents. Consequently, patents may not issue from the Company's pending patent applications, and even if they do issue, such patents may not issue in a form that effectively prevents others from developing or commercializing competing therapies. As such, the Company does not know the degree of future protection that it will have on its proprietary therapies.

The patent prosecution process is expensive, complex and time-consuming, and the Company and its current or future third party partners, licensors, licensees, or collaboration partners may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that the Company or its licensors, licensees or collaboration partners will fail to identify patentable aspects of inventions made in the course of research, development or commercialization activities before it is too late to pursue patent protection on them. In addition, although the Company enters into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of its research and development output, such as its employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors, and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing the Company's ability to seek patent protection. Furthermore, publications of discoveries in scientific literature often lag behind the actual discoveries, and patent applications are typically not published until 18 months after filing, or in some cases not published until and unless granted. Therefore, the Company cannot be certain whether it is the first to make the inventions claimed in its patents or pending patent applications, or that it was the first to file for patent protection of such inventions. Similarly, the Company cannot be certain that for any licensed patents or pending patent applications, the named applicant(s) were the first to make the inventions claimed in such patents or pending patent applications or that the named applicant(s) were the first to file for patent protection for such inventions.

Further, the issuance, scope, validity, enforceability and commercial value of the Company's and its current or future licensors', licensees' or collaboration partners' patent rights are highly uncertain. the Company and its licensors' pending and future patent applications may not result in patents being issued that protect the Company's therapies, in whole or in part, or that effectively prevent others from commercializing competitive technologies and therapies.

Moreover, in some circumstances, the Company may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that it licenses from or licenses to third parties and are reliant on its licensors, licensees, or collaboration partners. If the Company's current or future licensors, licensees or collaboration partners fail to establish, maintain, or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If the Company's licensors, licensees, or collaboration partners are not fully cooperative or disagree with the Company as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent examination process may require the Company or its licensors, licensees, or collaboration partners to narrow the scope of the claims of the Company or the Company's licensors', licensees' or collaboration partners' pending and future patent applications, which may limit the scope of patent protection that may be obtained. The Company cannot guarantee that all of the potentially relevant prior art relating to its patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent from issuing from a pending patent application.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and the Company's patents may be challenged in the courts or patent offices. Even if patents do successfully issue and even if such patents cover the Company's future therapeutic candidates, third parties may initiate an

opposition, interference, re-examination, post-grant review, inter parties review, nullification or derivation proceedings in court or before patent offices, or similar proceedings challenging the validity, enforceability or scope of such patents, which may result in the patent claims being narrowed or invalidated.

The Company and the Company's licensors', licensees', or collaboration partners' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology. In addition, patents and other intellectual property rights also will not protect the Company's current and any future therapeutic candidates if third parties, including the Company's competitors, design around the Company's protected technology and the Company's current and any future therapeutic candidates without infringing, misappropriating or otherwise violating the Company's patents or other intellectual property rights. Moreover, some of the Company's patents and patent applications may in the future be co-owned with third parties. If the Company is unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including the Company's competitors, and the Company's competitors could market competing therapies and technology. In addition, the Company may need the cooperation of any such co-owners of its patents in order to enforce such patents against third parties, and such cooperation may not be provided. Any of the foregoing could have a material adverse effect on the Company's competitive position, business, financial conditions, results of operations, and prospects.

The ES Act may significantly restrict or increase the financial costs of the Company or its BVI subsidiaries carrying on intellectual property business for the purposes of the ES Act (including without limitation via generating or receiving any identifiable income, capital gains or gains on disposal, licensing income or income from royalties from any intellectual property right in intangible assets), which may impact on the operations and prospects of the Company or its BVI subsidiaries as described in the risk factor entitled "Economic substance requirements" above.

Because patent applications are confidential for a period after filing, and some remain so until issued, the Company cannot be certain whether the Company or its current or future licensors, licensees or collaborators were or will be the first to file any patent application related to a therapeutic candidate. Even where the Company has a valid and enforceable patent, it may not be able to exclude others from practicing the Company's invention where the other party can show that they used the invention in commerce before the Company's filing date or the other party benefits from a compulsory license. In addition, the Company may be subject to third-party challenges regarding the Company's exclusive ownership of the Company's intellectual property. If a third party were successful in challenging the Company's exclusive ownership of any of the Company's intellectual property, the Company may lose its right to use such intellectual property, such third party may be able to license such intellectual property to other third parties, including the Company's competitors, and the Company's competitors could market competing therapies and technology. Any of the foregoing could have a material adverse effect on the Company's competitive position, business, financial conditions, results of operations, and prospects.

### ***Patent Litigation***

Patent litigation is becoming widespread in the pharmaceutical industry, and the Company cannot predict how this will affect its efforts to form strategic alliances, conduct clinical testing, or manufacture and market any of its product candidates that it may successfully develop. If the Company becomes involved in any litigation, interference, impeachment, or other administrative proceedings, it will likely incur substantial expenses, and the efforts of its technical and management personnel will be significantly diverted. The Company cannot make any assurances that it will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. Moreover, if the Company's products infringe on patents, trademarks, or proprietary rights of others, it could, in certain circumstances, become

liable for substantial damages, which also could have a material adverse effect on the business of the Company, its financial condition and results of operation. Patent litigation is less likely during development as many jurisdictions contain exemptions from patent infringement for the purpose of obtaining regulatory approval of a product. Where there is any sharing of patent rights either through co-ownership or different licensed “fields of use”, one owner’s actions could lead to the invalidity of the entire patent. If the Company is unable to avoid infringing the patent rights of others, the Company may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Such results could have a material adverse effect on the Company. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, the Company may not have sufficient resources to bring these actions to a successful conclusion, and, even if the Company is successful in these proceedings, it may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on the Company.

Any infringement or misappropriation of the Company’s intellectual property could damage its value and limit its ability to compete. In addition, the Company’s ability to enforce and protect its intellectual property rights may be limited in certain countries outside the U.S., and Canada, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by the Company. Competitors may also harm the Company’s sales by designing products that mirror the capabilities of its products or technology without infringing on its intellectual property rights. If the Company does not obtain sufficient protection for its intellectual property, or if it is unable to effectively enforce its intellectual property rights, its competitiveness could be impaired, which would limit its growth and future revenue. The Company may also find it necessary to bring infringement or other actions against third parties to seek to protect its intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that the Company will have the financial or other resources to enforce its rights or be able to enforce its rights or prevent other parties from developing similar technology or designing around its intellectual property.

### ***Invalid or Unenforceable Patents***

To protect the Company’s competitive position, the Company may from time to time need to resort to litigation in order to enforce or defend any patents or other intellectual property rights owned by or licensed to the Company from time to time, or to determine or challenge the scope or validity of patents or other intellectual property rights of third parties. Enforcement of intellectual property rights is difficult, unpredictable, and expensive, and many of the Company’s or the Company’s potential licensors’ or collaboration partners’ adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than the Company or the Company’s potential licensors or collaboration partners can. Accordingly, despite the Company’s or the Company’s licensors’ or collaboration partners’ efforts, they may not be successful in preventing third parties from infringing upon, misappropriating or otherwise violating intellectual property rights the Company own or control, particularly in countries where the laws may not protect those rights as fully as in the U.S. and Canada. The Company may fail in enforcing its rights, in which case the Company’s competitors and other third parties may be permitted to use the Company’s therapies without payment to the Company.

In addition, litigation involving the Company’s licensed patents carries the risk that one or more of the Company’s licensed patents will be narrowed, held invalid (in whole or in part, on a claim-by-claim basis) or held unenforceable. Such an adverse court ruling could allow third parties to commercialize the Company’s therapies, and then compete directly with the Company, without payment to the Company.

If the Company were to initiate legal proceedings against a third party to enforce a patent covering one of the Company’s investigational therapies, the defendant could counterclaim that the Company’s patent is

invalid or unenforceable. In patent litigation in the U.S., defendant counterclaims alleging invalidity or unenforceability are commonplace. A claim for a validity challenge may be based on failure to meet any of several statutory requirements, for example, lack of novelty, obviousness, or non-enablement. Third parties may also raise challenges to the validity of the Company's patent claims before administrative bodies in the U.S. or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (i.e., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to the Company's patents in such a way that they no longer cover the Company's current or any future therapeutic candidates. The outcome following legal assertions of invalidity and unenforceability during patent litigation or other proceedings is unpredictable. With respect to the validity question, for example, the Company cannot be certain that there is no invalidating prior art, of which the Company and the patent examiner were unaware during prosecution. If a defendant or third party were to prevail on a legal assertion of invalidity or unenforceability, the Company would lose at least part, and perhaps all, of the patent protection on the Company's current or one or more of any future therapeutic candidates. Such a loss of patent protection could have a material adverse impact on the Company's business financial condition, results of operations, and prospects. Further, litigation could result in substantial costs and diversion of management resources, regardless of the outcome, and this could harm the Company's business and financial results.

### ***Compliance with Procedural Requirements***

Periodic maintenance and annuity fees on any issued patent are to be paid to foreign patent agencies in several stages over the lifetime of the patent. Various foreign governmental patent agencies also require compliance with a number of procedurals, documentary, fee payment and other similar provisions during the patent application process. In certain circumstances, the Company relies on its collaboration partners to pay these fees due to U.S. and comparable foreign patent agencies and take the necessary action to comply with such requirements with respect to the Company's intellectual property. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If the Company or its licensors or collaboration partners fail to maintain the patents and patent applications covering the Company's investigational therapies, third parties, including its competitors might be able to enter the market with similar or identical therapies or technologies, which would have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

### ***Trade Secrets***

The Company relies on third parties to develop its products and as a result must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees, and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of the Company's collaborators, advisors, employees, and consultants to publish data potentially relating to its trade secrets. Its academic and clinical collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified time in order to secure any intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although in some cases the Company may share these rights with other parties. The Company may also conduct joint research and development programs which may require



it to share trade secrets under the terms of research and development collaboration or similar agreements. Despite the Company's efforts to protect its trade secrets, the Company's competitors may discover its trade secrets, either through breach of these agreements, independent development, or publication of information. A competitor's discovery of the Company's trade secrets may impair its competitive position and could have a material adverse effect on its business and financial condition.

### ***Trademark Protection***

Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

### ***Intellectual Property Litigation Costs***

Even if resolved in the Company's favour, litigation or other legal proceedings relating to intellectual property claims may cause the Company to incur significant expenses and could distract the Company's technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the Company. Such litigation or proceedings could substantially increase the Company's operating losses and reduce the Company's resources available for development and commercialization activities. The Company may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of the Company's competitors may be able to sustain the costs of such litigation or proceedings more effectively than the Company can because of their substantially greater financial resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of the Company's confidential information could be compromised by disclosure during this type of litigation. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on the Company's ability to compete in the marketplace.

### ***Intellectual Property Rights May Fail to Protect Competitive Advantage***

The degree of future protection afforded by the Company's intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect the Company's business, or permit the Company to maintain the Company's competitive advantage. The following examples are illustrative:

- others may be able to make compounds or develop digital assets that are the same as or similar to the Company's future therapeutic candidate, any future therapeutic candidates and digital assets but that are not covered by the claims of the patents that the Company owns or control;
- the patents of third parties may have an adverse effect on the Company's business;
- the Company or the Company's licensors or any current or future collaboration partners might not have been the first to conceive or reduce to practice the inventions covered by the issued patent or pending patent application that the Company own or control;
- the Company or the Company's licensors or any current or future collaboration partners might not have been the first to file patent applications covering certain of the Company's inventions;
- others may independently develop similar or alternative technologies or duplicate any of the Company's technologies without infringing misappropriating or otherwise violating the Company's intellectual property rights;

- issued patents that the Company has exclusively licensed may not provide the Company with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by third parties;
- the Company's competitors might conduct research and development activities in countries where the Company do not have patent rights and then use the information learned from such activities to develop competitive therapies for sale in the Company's major commercial markets;
- third parties performing manufacturing or testing for the Company using the Company's therapies or technologies could use the intellectual property of others without obtaining a proper license;
- the Company may not develop additional technologies that are patentable; and
- the Company may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property, or otherwise develop similar know-how.

Should any of these events occur, they could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

### ***Employee Patent Claim Liability***

Some of the Company's present and future consultants, advisors and employees, including the Company's senior management, may have previously been employed at other biotechnology or pharmaceutical companies, including the Company's competitors and potential competitors. Some of these individuals executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although the Company intend that the Company's consultants, advisors and employees do not use proprietary information or know-how of their former employers while working for the Company, the Company may be subject to claims that the Company or these individuals have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. Litigation may be necessary to defend against these claims.

If the Company fail in prosecuting or defending any such claims, in addition to paying monetary damages, the Company may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and the Company could be required to obtain a license from such third party to commercialize the Company's therapies. Such a license may not be available on commercially reasonable terms or at all. Even if the Company successfully prosecute or defend against such claims, litigation could result in substantial costs and distract the Company's management from its day-to-day activities.

In addition, while it is the Company's policy to require the Company's employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to the Company, the Company may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that the Company regard as the Company's own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and the Company may be forced to bring claims against third parties, or defend claims that they may bring against the Company, to determine the ownership of what the Company regard as the Company's intellectual property. Such claims could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

### ***Intellectual Property Rights of Third Parties***

The Company's commercial success depends upon its ability and the ability of its future collaborators to develop, manufacture, market, and sell any investigational therapies that the Company may develop and use its proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. The various markets in which the Company plans to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. In the future, the Company may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to its current or any future therapeutic candidates. If the outcome of any such proceeding or litigation is adverse to the Company, it may affect the Company's ability to compete effectively.

Additionally, the Company's competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover the Company's therapies or elements thereof, the Company's manufacture or uses relevant to its development plans, the targets of the Company's current or any future therapeutic candidates, or other attributes of the Company's current or any future therapeutic candidates. In such cases, the Company may not be in a position to develop or commercialize such therapeutic candidates unless the Company successfully pursues litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, which may not be available on commercially reasonable terms or at all. In the event that a patent has not expired at the time of approval of such investigational therapies or therapeutic candidate and the patent owner were to bring an infringement action against the Company, the Company may have to argue that its investigational therapies or the manufacture or use of the underlying therapeutic substances do not infringe a valid claim of the patent in question. Alternatively, if the Company were to challenge the validity of any issued U.S. patent in court, the Company would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This means that in order to prevail, the Company would need to present clear and convincing evidence as to the invalidity of the patent's claims. The same applies to other jurisdictions. Even if the Company believe third-party intellectual property claims are without merit, there is no assurance that a court would find in the Company's favor on questions of infringement, validity, enforceability, or priority. In the event that a third party successfully asserts its patent against the Company such that such third party's patent is found to be valid and enforceable and infringed by the Company's investigational therapies, unless the Company obtains a license to such patent, which may not be available on commercially reasonable terms or at all, the Company could be prevented from continuing to develop or commercialize the Company's investigational therapies. There can be no assurance any such patents will not be asserted against the Company or that the Company will not need to seek licenses from such third parties. The Company may not be able to secure such licenses on acceptable terms, or at all, and any such litigation would be costly and time-consuming.

It is possible that the Company has failed, and in the future may fail, to identify relevant patents or applications that may be asserted against the Company. For example, certain U.S. applications filed after November 29, 2000 can remain confidential until and unless issued as patents, provided that inventions disclosed in the applications have not and will not be the subject of a corresponding application filed outside the U.S. In general, patent applications in the U.S. and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering the Company's therapies could have been filed by others without the Company's knowledge. Furthermore, the Company operates in a highly competitive field, and given its limited resources, it is unreasonable to monitor all patent applications in the areas in which they are active. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover the Company's therapies or the use of the Company's therapies.

Third-party intellectual property right holders, including the Company's competitors, may actively bring infringement, misappropriation or violation claims against the Company based on existing or future intellectual property rights, regardless of their merit. The Company may not be able to successfully settle or otherwise resolve such infringement claims. If the Company are unable to successfully settle future claims on terms acceptable to it, the Company may be required to engage or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing its therapies.

If the Company is unsuccessful in defending any such claim, in addition to being forced to pay damages, the Company or its licensees may be temporarily or permanently prohibited from commercializing any of its investigational therapies that were held to be infringing. If possible, the Company might be forced to redesign its current or any future therapeutic candidates so that the Company no longer infringes the intellectual property rights of third parties, or the Company may be required to seek a license to any such technology that it is found to infringe, which license may not be available on commercially reasonable terms or at all. Even if the Company or its licensors or collaboration partners obtain a license, it may be non-exclusive, thereby giving the Company's competitors access to the same technologies licensed to the Company or its licensors or collaboration partners and it could require the Company to make significant licensing and royalty payments. In addition, the Company could be found liable for significant monetary damages, including treble damages and attorneys' fees, if the Company is found to have willfully infringed a patent or other intellectual property right. Claims that the Company have misappropriated the confidential information or trade secrets of third parties could have a similar material adverse effect on the Company's business, financial condition, results of operations, and prospects. Any of these events, even if the Company were ultimately to prevail, could require the Company to divert substantial financial and management resources that the Company would otherwise be able to devote to its business.

In addition, if the breadth or strength of protection provided by the Company or the Company's licensors' or collaboration partners' patents and patent applications is threatened, it could dissuade companies from collaborating with the Company to license, develop or commercialize current or future investigational therapies. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of the Company's confidential information could be compromised by disclosure during this type of litigation.

#### ***Obtaining or Maintaining Necessary Rights For Current or Future Therapeutic Candidates Through Acquisitions and In-Licenses***

In the future, the Company's programs may require the use of proprietary rights held by third parties, and the growth of the Company's business will likely depend in part on its ability to acquire, in-license, maintain or use these proprietary rights. In addition, with respect to any patents the Company co-owns with third parties, the Company may require licenses to such co-owners' interest in such patents. The Company may be unable to acquire or in-license any compositions, methods of use, processes, or other third-party intellectual property rights from third parties that the Company identifies as necessary for its current or any future therapeutic candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies may pursue strategies to license or acquire third-party intellectual property rights that the Company may consider attractive or necessary. These established companies may have a competitive advantage over the Company due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive the Company to be a competitor may be unwilling to assign or license rights to the Company. If the Company is unable to successfully obtain a license to third-party intellectual property rights necessary for the development of an investigational therapy or program, the Company may have to abandon development of that investigational therapy or program, which could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

## ***Patent Law Reform***

As is the case with other biotechnology and pharmaceutical companies, the Company's success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry is a technologically and legally complex process, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of the Company's and its licensors', or collaborators' patent applications and the enforcement or defense of the Company or its licensors', or collaborators' issued patents.

## ***Difficulties Securing Jurisdictional Intellectual Property Rights***

Filing, prosecuting and defending patents on therapeutic candidates in all countries and jurisdictions throughout the world would be prohibitively expensive and the Company's intellectual property rights in some countries could be less extensive than those in Canada, and the U.S., assuming that rights are obtained in Canada, and the U.S. Consequently, the Company may not be able to prevent third parties from practicing the Company's inventions in all countries or from selling therapies or importing therapeutic substances made using the Company's inventions in and into Canada, and the U.S., or other jurisdictions. In addition, the Company may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national/regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant patent offices, while granted by others. It is also quite common that depending on the country, the scope of patent protection may vary for the same therapeutic candidate or technology.

Competitors may use the Company's and the Company's licensors' or collaboration partners' technologies in jurisdictions where the Company has not obtained patent protection to develop their own therapies and, further, may export otherwise infringing therapies to territories where the Company and the Company's licensors or collaboration partners have patent protection, but enforcement is not as strong as that in Canada and the U.S. These therapies may compete with future therapeutic candidates, and the Company's and the Company's licensors' or collaboration partners' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in Canada, and the U.S., and companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. If the Company or the Company's licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for the Company's business in such jurisdictions, the value of these rights may be diminished and the Company may face additional competition from others in those jurisdictions.

Some countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If the Company or any of the Company's licensors or collaboration partners is forced to grant a license to third parties with respect to any patents relevant to the Company's business, the Company's competitive position may be impaired and the Company's business and results of operations may be adversely affected.

Proceedings to enforce the Company's and the Company's licensors' or collaboration partners' patent rights in foreign jurisdictions could result in substantial costs and divert the Company's and the Company's licensors' or collaboration partners' efforts and attention from other aspects of the Company's business, regardless of whether the Company or the Company's licensors or collaboration partners are successful,

and could put the Company's and the Company's licensors' or collaboration partners' patents at risk of being invalidated or interpreted narrowly. In addition, such proceedings could put the Company's and the Company's licensors' or collaboration partners' patent applications at risk of not issuing and could provoke third parties to assert claims against the Company or the Company's licensors or collaboration partners. The Company or the Company's licensors or collaboration partners may not prevail in any lawsuits that the Company or the Company's licensors or collaboration partners initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

## **Risks Related to the Common Shares**

### ***Substantial Number of Authorized but Unissued Common Shares***

The Company has a class of authorized capital consisting of an unlimited number of Common Shares that may, generally, be issued by the board of directors without further action or approval of shareholders. While the board of directors and officers of the Company will be required to fulfill their fiduciary obligations in connection with the issuance of Common Shares, such Common Shares may be issued in transactions in which not all shareholders agree, and the issuance of such Common Shares will cause dilution to the ownership interests of shareholders of the Company.

### ***Dilution***

The financial risk of the Company's future activities will be borne to a significant degree by its shareholders. If additional Common Shares are issued from treasury for financing purposes, control of the Company may change and holders may suffer additional dilution.

### ***Trading Market for Common Shares***

There can be no assurance that an active trading market for Common Shares will develop or, if developed, that any market will be sustained. The Company cannot predict the prices at which Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of Common Shares include: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of psychedelics companies; (iv) actual or anticipated changes or fluctuations in the Company's results of operations; (v) whether the Company's results of operations meet the expectations of securities analysts or investors; (vi) actual or anticipated changes in the expectations of investors or securities analysts; (vii) litigation involving the Company, its industry, or both; (viii) regulatory developments; (ix) general economic conditions and trends; (x) major catastrophic events; (xi) Lock-Up Period releases, sales of large blocks of the Common Shares; (xii) departures of key employees or members of management; or (xiii) an adverse impact on the Company from any of the other risks cited herein.

### ***Significant Sales of Common Shares***

Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

### ***Volatile Market Price for Common Shares***

Capital markets in Canada have recently experienced increased price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential successes of the Company.

Market price volatility of the Common Shares may affect the ability of holders to sell Common Shares at an advantageous price or at all. Market price fluctuations may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysis' estimates in connection therewith, sales of additional Common Shares, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "*Cautionary Note Regarding Forward-Looking Information*".

Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company's operations such as legislative or regulatory developments, competition, technological change and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

### ***Tax Issues***

There may be income tax consequences in relation to the Common Shares which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

### ***Discretion Over the Use of Proceeds***

The Company has discretion concerning the use of the net proceeds from financing transactions as well as the timing of their expenditures, and may apply net proceeds in ways other than may be disclosed by the Company. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's business, prospects, financial position, financial condition or results of operations may suffer.

### ***No Dividends***

The Company's current policy is, and will be, to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying cash dividends in the foreseeable future. Until such time as the Company does pay dividends, shareholders will not receive a return on their Common Shares other than upon their sale, and if sold at a price that exceeds their original acquisition price. The ability of the Company to pay dividends or otherwise return value to shareholders may also be restricted or unlawful under BVI law as described in the risk factor entitled "Risks Related to the Company's Business and Industry - *BVI Regulatory, Criminal and Civil Proceedings*" above. See also "*Dividends and Distributions*".

### ***Enforcement of Legal Rights***

The Company's subsidiaries and the majority of the Company's assets are located outside of Canada in the British Virgin Islands, Brazil and Uruguay. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

A number of directors and officers of the Company reside outside of Canada. It may not be possible for shareholders to effect service of process outside of Canada against the directors and officers of the Company, and independent qualified persons engaged by the Company, who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of such persons for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against persons not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law or other claims in original actions instituted in the British Virgin Islands, Brazil or Uruguay. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

### **DIVIDENDS AND DISTRIBUTIONS**

The Company has never declared nor paid dividends on the Common Shares. Currently, the Company intends to retain its future earnings, if any, to fund the development and growth of its business, and the Company does not anticipate declaring or paying any dividends on the Common Shares in the near future, although the Company reserves the right to pay dividends if and when it is determined to be advisable by the board of directors of the Company. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in the Common Shares in the foreseeable future. See "*Risk Factors - Risks Related to the Common Shares – No Dividends*".

### **DESCRIPTION OF CAPITAL STRUCTURE**

#### **Common Shares**

As of the date of this AIF, the authorized share capital of the Company consists of an unlimited number of Common Shares of which 77,571,773 are issued and outstanding.

Each Common Share entitles the holder thereof to one vote at meetings of shareholders of the Company other than meetings of the holders of another class of shares. Each holder of Common Shares is also entitled to receive dividends if, as and when declared by the board of directors of the Company. Holders of Common Shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up on an equal basis per Common Share. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

#### **Options**

At the special shareholders meeting of the Company held on May 14, 2021 shareholders approved a new 10% rolling stock option plan for the Company (the "**Plan**"), which plan took effect upon completion of



the Transaction on July 23, 2021. The Plan was re-approved by shareholders of the Company at its most recent Annual General & Special Meeting held on February 4, 2026. The Plan authorizes the board of directors, or a committee thereof, from time to time and at their discretion, to grant officers, directors, employees and consultants options (“**Options**”) exercisable for Common Shares. The purpose of the Plan is to recognize the contributions made by the Plan’s participants and to create an incentive for their continuing assistance. The aggregate number of Common Shares that may be issued pursuant to Options and awards of incentive share Options under the Plan may not exceed 10% of the number of Common Shares then issued and outstanding. Options granted can be exercised for a maximum of 10 years and vest as determined by the board of directors. The exercise price of each Option is determined by the board of directors on the basis of closing price of the Common Shares on the trading day prior to the grant, or the five-day volume weighted average trading price. As of the date hereof, there are 6,200,000 Options to purchase Common Shares issued or outstanding.

On December 3, 2025, the Company granted an aggregate of 6,200,000 stock options to officers, and consultants to the Company. The options have an exercise price of CAD\$0.35 per share, vest every six months over a period of two years, with the first vest on the date of grant, and expire on December 3, 2030. During the year ended December 31, 2025, the Company recognized share-based payments of \$422,225 (2024 - \$nil) related to stock options granted.

A summary of the Company’s stock option activity is as follows:

|                                                                      | Number of Options | Weighted Average<br>Exercise Price (CAD\$) |             |
|----------------------------------------------------------------------|-------------------|--------------------------------------------|-------------|
| <b>Balance, as at December 31, 2023</b>                              | <b>4,370,000</b>  | <b>\$</b>                                  | <b>1.14</b> |
| Expired unexercised                                                  | (4,370,000)       |                                            | 1.14        |
| <b>Balance, as at December 31, 2024</b>                              | <b>-</b>          | <b>\$</b>                                  | <b>-</b>    |
| Granted                                                              | 6,200,000         |                                            | 0.35        |
| <b>Balance, as at December 31, 2025 and the date of<br/>this AIF</b> | <b>6,200,000</b>  | <b>\$</b>                                  | <b>0.35</b> |

## ESCROWED SECURITIES

### Escrow

The Company is an “exempt issuer” under National Policy 46-201 – *Escrow for Initial Public Offerings* and, as such, no Common Shares were made subject to any escrow under this policy or under the policies of the Cboe in connection with the completion of the Reverse Takeover.

## MARKET FOR SECURITIES

### Trading Price and Volume

Prior to the closing of the Reverse Takeover on July 23, 2021 and the subsequent listing of the Common Shares on the Cboe, the Common Shares did not trade on any securities exchange since March 28, 2019. The Common Shares commenced trading on the Cboe following the completion of the Reverse Takeover on a post-Consolidation basis under the stock symbol “BMND” on July 28, 2021. The following table sets forth, for the periods indicated, the reported high and low prices and the trading volume of the Common Shares on the Cboe:

| Month         | High (CAD\$) | Low (CAD\$) | Volume |
|---------------|--------------|-------------|--------|
| January 2025  | 0.455        | 0.285       | 4,544  |
| February 2025 | 0.415        | 0.20        | 37,386 |

|                             |      |       |        |
|-----------------------------|------|-------|--------|
| March 2025                  | 0.65 | 0.25  | 12,588 |
| April 2025 <sup>1</sup>     | 0.42 | 0.35  | 2,616  |
| May 2025 <sup>1</sup>       | 0.35 | 0.35  | -      |
| June 2025 <sup>1</sup>      | 0.35 | 0.35  | -      |
| July 2025 <sup>1</sup>      | 0.35 | 0.35  | -      |
| August 2025 <sup>1</sup>    | 0.35 | 0.35  | -      |
| September 2025 <sup>1</sup> | 0.35 | 0.35  | -      |
| October 2025 <sup>1</sup>   | 0.35 | 0.35  | -      |
| November 2025 <sup>1</sup>  | 0.35 | 0.35  | -      |
| December 2025 <sup>1</sup>  | 0.35 | 0.125 | 46,772 |

<sup>1</sup> The Company's Common Shares were cease traded on April 4, 2025, for failure to file the financial statements for the year ended December 31, 2024, by the required filing deadline. The Company subsequently filed the required financial statements and trading in the Company's Common Shares resumed on December 1, 2025.

## Securities Issuances

On July 2, 2024, the Company issued 2,769,572 common shares of the Company to UGV, upon the conversion of \$322,191 (CAD\$448,671) in principal and accrued interest associated with the Credit Facility, at a price of \$0.12 (CAD\$0.162) per share.

On November 27, 2024, the Company issued 40,348 common shares with a fair value of \$17,325 in settlement of \$21,851 in outstanding trade payables. The Company recognized a gain on debt settlement of \$4,526.

There were no issuances of securities of the Company during the most recently completed financial year and up to the date of this AIF.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name, province of residence, Common Shares owned, position held with the Company, and principal occupation of each director and executive officer effective as of the date of this AIF. All directors hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed.

| Name and Residence                                                | Current Positions(s) with the Company                                                             | Number of Common Shares Owned | Principal Occupation                                                                                                                                                                 |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Alejandro Antalich<sup>(1)</sup></b><br>Montevideo,<br>Uruguay | Chief Executive Officer<br><br>Director since: July 23, 2021                                      | Nil                           | In addition to his role with Biomind, Mr. Antalich has also been the CEO and a director of EvokAI Creative Labs Inc. since April 2023, and CEO of Moolec Science SA since June 2025. |
| <b>Oscar Leon</b><br>Montevideo,<br>Uruguay                       | Chief Financial Officer and Director since July 23, 2021                                          | Nil                           | Mr. Leon has been a director at Union Agricultural Group since October 2009, and serves as a director and officer of a number of private companies.                                  |
| <b>Ravi Sood</b><br>Toronto,<br>Canada                            | Independent Director and Non-Executive Chairman since: July 23, 2021<br><br>Committee Membership: | Nil                           | Mr. Sood is Managing Director of Signal 8 Limited based in Toronto, Canada and CEO and Chairman of Golconda Gold Ltd. and Chairman of SPARQ Corp.                                    |

|                                                      |                                                                                                                                                                                                               |     |                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      | <ul style="list-style-type: none"> <li>▪ Audit</li> <li>▪ Corporate Governance &amp; Nominating</li> <li>▪ Compensation</li> </ul>                                                                            |     |                                                                                                                                                                                                                                                                                                       |
| <b>Ben Illigens</b><br>Berlin,<br>Germany            | Independent Director since: July 23, 2021<br><br>Committee Membership: <ul style="list-style-type: none"> <li>▪ Audit</li> <li>▪ Corporate Governance &amp; Nominating</li> <li>▪ Compensation</li> </ul>     | Nil | Dr. Illigens is currently the Director of Clinical Research at Dresden International University.                                                                                                                                                                                                      |
| <b>Scott Ackerman</b><br>British Columbia,<br>Canada | Independent Director since: November 18, 2025<br><br>Committee Membership: <ul style="list-style-type: none"> <li>▪ Audit</li> <li>▪ Corporate Governance &amp; Nominating</li> <li>▪ Compensation</li> </ul> | Nil | Mr. Ackerman has been the CEO of Emprise Capital Corp., a private merchant bank that provides restructuring services to public companies since January 2024. Mr. Ackerman is also a director, senior officer, and chair of a number of audit committees for several Canadian listed public companies. |

**Notes:**

- (1) Mr. Antalich is the sole director of each of Biomind Research, Mindcore and Liverdome.

As of the date of this AIF, as a group, the directors and officers of the Company do not hold, directly or indirectly, any Common Shares.

The following is a brief description of each of the directors and members of management of the Company, including details regarding their principal occupations for the last five years:

*Alejandro Antalich - Chief Executive Officer and Director, Age 53*

Mr. Antalich has been the CEO of the Company since July 2021. Mr. Antalich is also currently the CEO and a director of EvokAI Creative Labs Inc. (TSXV), and the CEO of Moolec Science SA (NASDAQ).

*Oscar Leon – Chief Financial Officer and Director, Age 64*

Mr. Leon has over two decades of experience as CFO, Financial Controller, Chief Accountant for several Uruguayan, Canadian and American Companies. Mr. Leon has been the CFO of the Company since July 2021, and has served as a director of Union Agricultural Group since 2009.

*Ravi Sood – Director and Chairman, Age 49*

Mr. Sood is managing director of Signal 8 Limited based in Toronto, Canada. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as CEO and

Chairman of Golconda Gold Ltd. (TSXV) and as Chairman of SPARQ Systems Inc. (TSXV). Mr. Sood was educated at the University of Waterloo (B.Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards.

*Ben Illigens – Director, Age 51*

Dr. Illigens is a clinical scientist, clinical biostatistician, clinical data scientist and teacher, with over 12 years experience in implementing life science, healthcare and digital technologies, innovative programs, products and services in the academic, the biotech, pharmaceutical, CRO and life science market in Europe, USA, Latin America and Asia. He is currently a Director of Clinical Research at Dresden International University. Dr. Illigens earned his MD from Free University of Berlin, Germany, and a Doctorate in Medicine from the Dresden Medical Faculty, as well as a Masters in Biomedical Informatics from Harvard Medical School.

*Scott Ackerman – Director, Age 59*

Mr. Ackerman has been the CEO of Emprise Capital Corp., a private merchant bank providing restructuring, accounting, and administrative services to publicly listed companies in Canada since January 2004. Mr. Ackerman also serves as a director, senior officer, and audit committee member of a number of publicly listed companies.

## **PROMOTERS**

Juan Sartori, a significant shareholder of the Company, may be considered a promoter of the Company within the meaning of Canadian securities legislation. Union Ventures and Arvesa Corp., companies controlled by Juan Sartori, hold 14,794,696 and 13,371,495 Common Shares, respectively, representing 19.07% and 17.24% of the Company's outstanding Common Shares, respectively. Union Ventures is a direct wholly owned entity of Union Group International Holdings Limited ("**Union International**"), of which Juan Sartori is the sole shareholder.

### **Financing agreement**

On November 14, 2022, Biomind entered into a financing agreement (the "**Financing Agreement**") with Union Group Ventures Limited ("UGV"), a subsidiary of a significant shareholder of the Company, pursuant to which UGV 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%. The expiry date of the Financing Agreement was subsequently extended to November 14, 2026. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

Disbursements shall be repaid by the Company on the date which is 12 months after the date following the respective disbursement, together with interest thereon.

Upon at least 10 business days' advance notice, UGV may elect that the Company repay any outstanding disbursement and its respective interest, or a portion thereof, by the issuance of shares of the Company, in lieu of repayment in cash. Subject to applicable regulatory requirements, including the approval of the Cboe, the number of shares of the Company to be issued shall be calculated as the 15-day volume weighted average trading price ("**VWAP**") of the shares on the Cboe, prior to the applicable repayment date, less a 20% discount (the "**Maximum Discount**").

The Company determined that the Credit Facility contained an embedded derivative liability, and that the conversion feature does not qualify as equity as it does not satisfy the “fixed for fixed” requirement as the potential number of common shares to be issued is contingent on the exchange rate, and the discounted market price of the Company’s common shares. Consequently, the conversion feature is classified as a derivative liability and measured at fair value.

On initial recognition, the derivative liability was calculated based on the Maximum Discount UGV would receive on conversion of the liability to shares of the Company. Under the Company’s valuation methodology, the derivative continues to be revalued at each period end, and includes accrued interest that could be convertible into shares of the Company, based on the Maximum Discount.

In the event that the conversion discount that UGV could receive based on the Maximum Discount results in a conversion price per share that is in excess of the policies of the Cboe relating to maximum allowable discounts to the market price of the Company’s shares at the time of conversion, the economic benefit to UGV would be less than the Maximum Discount or \$nil. Further, in the event that the market price of the Company’s shares at the date of their issuance (upon conversion of any or all of the Credit Facility) is less than the price resulting from the Maximum Discount, the economic benefit to UGV would also be \$nil. Under such circumstances, the derivative component of the portion of the liability being settled for shares of the Company would be revalued based on the discount that was given, and if no discount was given, it would be revalued to \$nil.

#### Liability Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2023</b> | <b>\$</b> | <b>739,325</b> |
| Advances                          |           | 230,519        |
| Conversion to shares              |           | (332,191)      |
| Accretion and interest            |           | 32,645         |
| Foreign exchange                  |           | 15,196         |
| Translation adjustment            |           | (14,817)       |
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>670,677</b> |
| Advances                          |           | 64,755         |
| Settlement for sale of assets     |           | (66,936)       |
| Accretion and interest            |           | 68,710         |
| Translation adjustment            |           | (8,723)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>728,483</b> |

#### Derivative Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2023</b> | <b>\$</b> | <b>205,753</b> |
| Additions – principle             |           | 76,840         |
| Change in fair value              |           | (53,908)       |
| Translation adjustment            |           | (5,126)        |
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>223,559</b> |
| Additions – principle             |           | 21,585         |
| Settlement for sale of assets     |           | (22,939)       |
| Change in fair value              |           | 23,531         |
| Translation adjustment            |           | (2,908)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>242,828</b> |

During the year ended December 31, 2025, the Company withdrew a total of \$86,340 (2024: \$307,359) from the Credit Facility. The conversion feature of the principal withdrawn during the year was determined, based on a market approach, to have a fair value of \$21,585 (2024: \$76,840) on initial recognition which was recorded as a derivative liability with the remaining balance allocated to the debt and amortized over the term.

On July 2, 2024, the Company issued 2,769,572 common shares of the Company to UGV, upon the conversion of \$332,191 (CAD\$448,671) in principal and accrued interest, at a price of \$0.12 (CAD\$0.162) per share. At the time of conversion, the derivative associated with the portion of the debt that was converted was remeasured. The amount of debt settled was provided no discount (the closing price of the Company's shares on June 14, 2024, the date of notice of conversion, was \$0.10 (CAD\$0.135), and therefore the derivative associated with that debt had a \$nil value. The remaining conversion feature continued to be measured at the 20% discount. The Company incurred \$5,110 in share issuance costs associated with the share issuance.

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, UGV, and Synbio Powerlabs Oy ("Synbio"), a related party, whereby the Company transferred equipment with a net book value of \$17,834 to Synbio in exchange for settlement of \$89,875 in principal amount of the Credit Facility. The Company recognized a gain of \$72,041 on the sale of the equipment. See Related Parties section.

During the year ended December 31, 2025, the Company recognized interest expense on the debt of \$68,710 (2024: \$32,645) and a change in fair value of the derivative of \$(23,531) (2024: \$53,908).

### **Service and financial agreement**

On November 20, 2020, the Company entered into a "Service and Financial Agreement" with Union Group International Holding Limited (100% shareholder of UGV) in which Union Group International Limited would provide consulting services to the Company. For the year ended December 31, 2025, no expenses were incurred (2024 - \$nil).

### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

Except as disclosed below, no director or executive officer of the Company is, as at the date of this AIF, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Ravi Sood was a director of Galane Gold Ltd. (now Golconda Gold Ltd.), which was delisted from the Botswana Stock Exchange (the "**BSE**") effective August 14, 2017 for failure to pay certain fees required

by the BSE's listing requirements. The delisting of Galane Gold Ltd. from the BSE followed a temporary suspension of the corporation's listing on the BSE that was imposed on July 13, 2017.

On April 8, 2024, while Alejandro Antalich, Oscar Leon, Ravi Sood, and Ben Illigens were directors and/or officers of the Company, the Ontario Securities Commission ("OSC") issued a cease trade order against the Company for failure-to-file the consolidated annual financial statements, management's discussion & analysis, AIF, and certifications, for the year ended December 31, 2023. The Company subsequently filed the required financial statements and the cease trade order was lifted on June 3, 2024, and trading in the Company's Common Shares resumed on June 4, 2024.

On April 4, 2025, while Alejandro Antalich, Oscar Leon, Ravi Sood, and Ben Illigens were directors and/or officers of the Company, the OSC for failure to file the financial statements, corresponding management's discussion & analysis and officers' certificates, and annual information form for the year ended December 31, 2024 by the required filing deadline. While the cease trade order remained in effect, the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the three-month period ending March 31, 2025, Form 51-102F6 Statement of Executive Compensation, the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the six-month period ending June 30, 2025, and the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the nine-month period ending September 30, 2025, came due on May 15, 2025, May 20, 2025, August 14, 2025, and November 14, 2025, respectively (collectively with the 2024 annual reporting requirements, the "**Continuous Disclosure Documents**"). The Continuous Disclosure Documents were subsequently filed by the Company, and the OSC revoked the April 4, 2025 cease trade order on November 25, 2025. Trading in the Company's shares resumed on December 1, 2025.

Scott Ackerman is a director of NeutriSci International Inc. ("NeutriSci"). On May 7, 2024, while Mr. Ackerman was a director of NeutriSci, NeutriSci was subject to a cease trade order of the BCSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2023. The cease trade order remains in effect.

Scott Ackerman and Alejandro Antalich are directors and officers of EvokAI Creative Labs Inc. ("EvokAI"). On May 6, 2025, while Mr. Ackerman and Mr. Antalich were directors and officers of EvokAI, EvokAI was subject to a cease trade order of the BCSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2024. The cease trade order remains in effect.

To the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of Common Shares to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the last ten years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;

- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers.

### **CONFLICTS OF INTEREST**

To the best of the Company's knowledge, other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company and any directors or officers of the Company, except that certain of the directors and officers serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the OBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

To the Company's knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is or was the subject matter, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this AIF.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed below and elsewhere in this AIF no director, executive officer or unitholder or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting securities of the Company, or any of their respective associates or affiliates (as defined in the OBCA), has any material interest, direct or indirect, in any transaction within the three years before the date of this AIF which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The independent auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants, Vancouver, British Columbia ("**Davidson**"). Davidson has confirmed that it is independent



of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

Odyssey Trust Company, at its Toronto, Ontario office acts as the Company's transfer agent and registrar.

## **MATERIAL CONTRACTS**

Other than the Financing Agreement, there are no material contracts of the Company, other than contracts entered into in the ordinary course of business.

## **INTERESTS OF EXPERTS**

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this AIF or as having prepared or certified a report or valuation described or included in this AIF holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company and no such person is a promoter of the Company or an associate or affiliate of the Company. Davidson & Company is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

## **AUDIT COMMITTEE**

### **Audit Committee's Charter**

The charter (the "**Charter**") of the Company's Audit Committee is reproduced as Exhibit "A".

### **Composition of Audit Committee**

As at the date of this AIF, the Audit Committee is composed of Ravi Sood, Scott Ackerman, and Ben Illigens, each of whom is a director of the Company.

Ravi Sood, Scott Ackerman, and Ben Illigens are "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Company is of the opinion that all three members of the Audit Committee are "financially literate" as such term is defined in NI 52-110.

### **Relevant Education and Experience**

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

#### *Ravi Sood – Director and Chairman*

Mr. Sood is managing director of Signal 8 Limited based in Toronto, Canada. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as CEO and Chairman of Golconda Gold Ltd. (TSXV) and as Chairman of SPARQ Systems Inc. (TSXV). He was the founder and Chief Executive Officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada. Mr. Sood led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., from its founding in 2001 until he sold the firm in 2010. Mr.

Sood was educated at the University of Waterloo (B.Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards.

*Scott Ackerman – Director*

Mr. Ackerman is the CEO of Emprise Capital Corp., a private merchant bank providing management, restructuring, accounting, and administrative services to public companies. Mr. Ackerman has been active in the public markets for more than 30 years, having held senior executive roles in various capacities from investor relations to executive management, and as chairman of a number of audit committees.

*Ben Illigens – Director*

Dr. Illigens is a clinical scientist, clinical biostatistician, clinical data scientist and teacher, with over 12 years experience in implementing life science, healthcare and digital technologies, innovative programs, products and services in the academic, the biotech, pharmaceutical, CRO and life science market in Europe, USA, Latin America and Asia. Dr. Illigens has been CEO of UniMedIT, GBR, a healthcare research enterprise, and VP of Data Science at Odysseus Data Science GmbH, a healthcare analytics company. He was previously an Instructor in Neurology at Harvard Medical School Department of Neurology, and he is currently a Director of Clinical Research at Dresden International University. Dr. Illigens earned his MD from Free University of Berlin, Germany, and a Doctorate in Medicine from the Dresden Medical Faculty, as well as a Masters in Biomedical Informatics from Harvard Medical School.

## Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Company’s external auditors not been adopted by the board of directors.

## Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor.

## External Auditor Service Fees (By Category)

Davidson & Company LLP Chartered Professional Accountants (“Davidson”) has been the Company’s auditor since August 22, 2023. The following tables set forth, by category, the fees for all services rendered by Davidson for the two most recent fiscal years ended December 31, 2024, and December 31, 2025.

| Davidson & Company                | Year Ended December 31, 2025 (estimated) (CAD\$) | Year Ended Dec 31, 2024 (CAD\$) |
|-----------------------------------|--------------------------------------------------|---------------------------------|
| Audit Fees <sup>(1)</sup>         | 35,000                                           | 47,500                          |
| Audit-Related Fees <sup>(2)</sup> | -                                                | -                               |
| Tax Fees <sup>(3)</sup>           | -                                                | -                               |
| All Other Fees <sup>(4)</sup>     | 5,000                                            | -                               |

**Notes:**

- (1) “**Audit Fees**” includes fees necessary to perform the annual audit of the Company’s financial statements. These services include reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “**Audit-Related Fees**” include services that are traditionally performed by the auditor.
- (3) “**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “**All Other Fees**” include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under notes (1), (2) and (3) above.

## **COMPLIANCE PROGRAM**

The Company oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Company's senior executives and the employees responsible for overseeing compliance, the Company has local counsel engaged in every jurisdiction in which it operates and has received legal advice in each of these jurisdictions regarding (a) compliance with applicable regulatory frameworks; and (b) potential exposure to, and implications arising from, applicable laws in jurisdictions in which the Company has operations or intends to operate.

The Company works with third parties who require regulatory licensing to handle scheduled drugs. The Company continuously updates its compliance and channel programs to maintain regulatory standards set for drug development. The Company also works with clinical research organizations who maintain batch records and data storage for the Company's clinical programs.

In conjunction with the Company's human resources and operations departments, the Company oversees and implements training on the Company's protocols. The Company will continue to work closely with external counsel and other compliance experts, and is evaluating the engagement of one or more independent third party providers to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Company operates.

The Company's programs currently in place include monitoring by executives of the Company to ensure that operations conform to and comply with required laws, regulations and operating procedures. The Company is currently in compliance with the laws and regulations in all jurisdictions and the related licensing framework applicable to its business activities.

The Company and, to its knowledge, each of its third-party researchers, suppliers and manufacturers have not received any non-compliance, citations or notices of violation which may have an impact on the Company's licences, business activities or operations.

The Company conducts due diligence on third-party researchers, medical professionals, clinics and others as applicable, with whom it engages. Such due diligence includes but is not limited to the review of necessary licenses and the regulatory framework enacted in the jurisdiction of operation. Further, the Company generally obtains, under its contractual arrangements, representations and warranties from such third parties pertaining to compliance with applicable licensing requirements and the regulatory framework enacted in the jurisdiction of operation.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found under the Company's profile on SEDAR + at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular for its most recent annual meeting of securityholders held on February 4, 2026. Additional information is also contained in the Company's consolidated audited financial statements and related MD&A for the Company's most recently completed financial year ended December 31, 2025.

**EXHIBIT “A”  
AUDIT COMMITTEE CHARTER**

**BIOMIND LABS INC.**

**(the “Company”)**

**AUDIT COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every Cboe Canada Inc. listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**PART 1**

**Purpose:**

The purpose of the Committee is to:

- (a) improve the quality of the Company financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

**1.1 Definitions**

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“**Affiliate**” means a company that is a subsidiary of another company or companies that are controlled by the same entity;

**“audit services”** means the professional services rendered by the Company’s external auditor for the audit and review of the Company’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

**“Charter”** means this audit committee charter;

**“Committee”** means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

**“Control Person”** means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company;

**“financially literate”** has the meaning set forth in Section 1.2;

**“immediate family member”** means an individual’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the individual or the individual’s immediate family member) who shares the individual’s home;

**“independent”** means independent only as determined by the Instrument;

**“Instrument”** means National Instrument 52-110 – *Audit Committees*;

**“MD&A”** has the meaning ascribed to it in National Instrument 51-102;

**“Member”** means a member of the Committee;

**“National Instrument 51-102”** means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

**“non-audit services”** means services other than audit services.

## **1.2 Meaning of Financially Literate**

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

## **2.1 Audit Committee**

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

## **2.2 Relationship with External Auditors**

The Company will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such other persons or organizations.

## **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the board of directors:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing the audit plan with management and the external auditor;
  - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
  - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;

- (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses;
  - (l) reviewing the appointments of the chief financial officer, the Company's head of internal audit, if any, and any key financial executives involved in the financial reporting process, as applicable;
  - (m) reviewing annually the Charter and annually obtain approval from the board of directors; and
  - (n) if an internal auditor is appointed, reviewing and annually approving the internal audit charter and the risk based internal audit plan.
3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.
  4. The Committee shall review the Company's financial statements, MD&A, and annual and interim earnings press releases before the Company publicly discloses this information.
  5. The Committee shall review and discuss the quality of the Company's accounting principles, internal controls, and financial statements.
  6. The Committee shall review and assess the adequacy of risk management policies, procedures, and processes and review updates on risks.
  7. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
  8. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
  9. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
  10. The Committee shall, as applicable, establish procedures for:
    - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
    - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

11. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
12. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities, including but not limited to the review the materiality levels proposed by external auditors, the viability as a going concern, the status of financial instruments, review of the budget and financial forecasts prepared by management linked to the Company's development projects, oversight of tax services provided to the Company and selection who shall review (for approval) the expenses of the Chief Executive Officer.
13. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

#### **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (b) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. Every Member shall be independent.
4. Every Member shall be financially literate.
5. The board of directors of the Company shall appoint or re-appoint the Members after each annual meeting of shareholders of the Company.



#### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (a) set and pay the compensation for any advisors employed by the Committee;
- (b) communicate directly with the internal and external auditors; and
- (c) recommend the amendment or approval of audited and interim financial statements to the board of directors.

#### **5.1 Required Disclosure**

The Company must include in its Annual Information Form the disclosure required by Form 52-110F1.

#### **5.2 Disclosure in Information Circular**

If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors, the Company shall include in its management information circular a cross-reference to the sections in the Company's Annual Information Form that contain the information required by section part 5.

#### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.
4. The Committee shall meet separately with external auditors at every meeting where the external auditors are present.
5. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

## **EXHIBIT “B”**

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The following provides information with respect to the Corporation’s compliance with the corporate governance requirements of the Canadian Securities Administrators set forth in NI 58-101 and Form 58-101F1 – *Corporate Governance Disclosure*.

#### **Board of Directors**

The board of directors of the Corporation (the “**Board**”) believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. In-camera sessions, without management and non-independent directors present, are held after each meetings of the Board, or as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. The Board discharges its responsibilities directly and through the committees of the Board: (i) the Audit Committee, comprised of three independent Board members; and (ii) the Compensation Committee, comprised of two independent Board members. Each committee of the Board operates under a formal charter or mandate which is reviewed, and updated as necessary, on an annual or more frequent basis. In fulfilling its responsibilities, the Board delegates day-to-day authority to management of the Corporation, while reserving the ability to review management decisions and exercise final judgement on any matter. In accordance with applicable legal requirements and historical practice, all matters of a material nature are presented by management to the Board for approval.

The Board is currently comprised of five directors, 60% of whom are independent (within the meaning of Section 1.4 of NI 52-110 – *Audit Committees*) as of the date hereof. NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is a relationship which could be, in the view of the board of directors of a company, reasonably expected to interfere with the exercise of a member's independent judgment. Each of Ravi Sood, Ben Illigens and Scott Ackerman are considered to be independent within the meaning of NI 58-101. Alejandro Antalich, the Corporation’s Chief Executive Officer, and Oscar Leon, the Corporation’s Chief Financial Officer, are not independent, as both are officers of the Corporation.

#### ***Chair***

The Chair of the Board is currently Ravi Sood.

The Chair's key responsibilities include duties relating to: overseeing the operations and affairs of the Board; providing leadership to foster the effectiveness of the Board; ensuring there is an effective relationship between the Board and senior management of the Corporation; ensuring that appropriate structures and procedures are in place so that the Board may function independently of management; recommending, where necessary, the holding of meetings of independent directors; leading the process by which the independent directors seek to ensure that the Board represents and protects the interest of the Corporation's securityholders; ensuring the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board; and chairing all meetings of the Board and shareholders.

### ***Other Public Company Directorships***

The following current directors of the Corporation are also currently directors of the following reporting issuers:

| <b>Director</b>           | <b>Name of Reporting Issuer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Alejandro Antalich</b> | EvokAI Creative Labs Inc.<br>Moolec Science SA                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Oscar Leon</b>         | Adecoagro SA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Ravi Sood</b>          | Sparq Systems Inc.<br>Elemental Altus Royalties Corp.<br>Golconda Gold Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Scott Ackerman</b>     | MML Acquisition Corp.<br>Beretta Ventures Ltd.<br>NeutriSci International Inc.<br>Kubera Gold Corp.<br>Infield Minerals Corp.<br>Bravern Ventures Ltd.<br>Volcanic Gold Mines Inc.<br>EvokAI Creative Labs Inc.<br>Nota Bene Ventures Ltd.<br>Brandlin Ventures Ltd.<br>Noemi Ventures Ltd.<br>Orinswift Ventures Ltd.<br>Queue Ventures Ltd.<br>ECC Diversified Inc.<br>ECC Ventures 6 Corp.<br>Aubert Ventures Ltd.<br>Montelena Ventures Ltd.<br>Nacido Ventures Ltd.<br>Varozza Ventures Ltd. |

### ***Meetings***

The Board generally has quarterly meetings, held in conjunction with the timing of the filing of interim and annual financial reports, and additional meetings scheduled on the basis of new business activities that require Board input and approval. At Board meetings, in camera sessions are held with the independent members of the Board.

During the current year, approval of the Corporation's financial statements was conducted by consent resolution, and, given the Corporation's current cease trade status and efforts by the

Corporation to secure additional financing, the Board has had frequent and constant communication with the Corporation's senior management team.

## **Item 2: Board Mandate**

### ***Directors' Responsibilities***

The Directors are responsible for the stewardship of the Corporation. To discharge this obligation, the Directors, directly and through the applicable committees of the Board of Directors, should assume responsibility in the following areas:

### ***Strategic Planning Process***

- Provide input to management on emerging trends and issues.
- Adopt, review, and approve, if appropriate, management's strategic plans on an annual basis.
- Review and approve the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.

### ***Monitoring Tactical Progress***

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- Analyze and discuss information relating to the Corporation's achievement of objectives.
- Assess and oversee the nature and scope of monitoring activities and management's evaluation and remediate deficiencies.

### ***Risk Assessment***

- Identify the principal risks of the Corporation's businesses and ensure that appropriate systems are in place to manage these risks.
- Oversee management's assessment of risks to the achievement of the Corporation's objectives and ensure that appropriate systems are in place to manage the principal risks of the Corporation's businesses.

### ***Senior Level Staffing***

- Select, monitor, and evaluate the Chief Executive Officer and approve the appointment of other senior executives, and ensure the adoption of a management succession plan.
- Approve a position description for the Chief Executive Officer including limits to management's responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Corporate Governance and Nominating Committee.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers.
- Satisfy itself that the Chief Executive Officer and other executive officers create, maintain and foster a culture of integrity throughout the Corporation.
- Engage in succession planning including, identifying, training, and monitoring future senior management.

### ***Integrity***

- Provide oversight to the Chief Executive Officer and other executive officers in the development and performance of control activities.
- Ensure the integrity of the Corporation's internal control, financial reporting, and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation's own governing documents, and accountability to the Board

of Directors.

- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

#### ***Material Transactions***

- Review and approve material transactions not in the ordinary course of business, including without limitation, stock issuances, acquisitions, loans, and leases.
- Review any potential related party transaction or non-arm's length transaction regardless of materiality.

#### ***Monitoring Directors' Effectiveness***

- Assess their own effectiveness in fulfilling the above and Directors' responsibilities, including monitoring the effectiveness of individual Directors.
- Define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to ask probing questions of senior management and take commensurate actions.

#### ***Disclosure Policy and Code of Business Conduct***

- Adopt, monitor, and periodically review the effectiveness of a corporate disclosure policy and a code of business conduct.
- Make determinations with respect to waiving compliance with the code of business conduct by Directors and executive officers.

#### ***Feedback from Shareholders***

- Develop measures for the receipt, by the Directors, of feedback from shareholders.

#### ***Expectations of Directors***

- Directors are expected to attend all board meetings and meetings of the committees on which they serve.
- The specific dates of Board meetings to approve interim and annual financial results shall be scheduled at the commencement of each fiscal year.
- Additional meetings of the Board shall be called on an as-required basis, and additional meetings shall be called by the Chair of the Board.
- Directors are expected to review materials to be presented at Board meetings prior to such meetings. Such materials are to be circulated with sufficient advanced notice to allow Board members adequate review time. However, for unscheduled meetings, shorter notice may be necessary.
- All meeting shall have an In Camera session that shall be used at the discretion of the Board.

#### ***Corporate Governance***

- Develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- The Board may delegate this responsibility to a committee of the directors, which committee shall have a majority of "Independent" directors (as such term is defined in National Policy 58-201 – *Corporate Governance Guidelines*) and the remaining members of which, if any, shall be "non-management" directors.

#### ***Other***

- Perform such other functions as prescribed by law or assigned to the Directors in the

Corporation's constating documents, policies, and guideline.

### **Item 3: Position Descriptions**

Given the size and stage of the Corporation, the Board has not developed written position descriptions for the Chair, or the Chief Executive Officer or Chief Financial Officer. The Board delineates the responsibilities of the role of the Chair through the Board Mandate, and the responsibilities of roles of the Chief Executive Officer and the Chief Financial Officer through ongoing oversight by the Board. The Chief Executive Officer and the Chief Financial Officer are responsible for the overall management of the Corporation's operations, execution of strategic plans approved by the Board, and day-to-day decision making. The Chief Executive Officer and the Chief Financial Officer provide regular updates to the Directors of the Corporation.

### **Item 4: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Corporation's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Corporation expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Corporation's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Corporation and the Board.

### **Item 5: Ethical Business Conduct**

The Board does not currently take any formal steps to encourage and promote a culture of ethics and business conduct. Directors and Officers of the Corporation are encouraged to conduct themselves and the business of the Corporation with the utmost honesty and integrity. Directors are also encouraged to consult with the Corporation's professional advisors with respect to any issues related to ethical business conduct.

### **Item 6: Nomination of Directors**

The identification of potential candidates for nomination as directors of the Corporation is carried out by all directors, who are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

### **Item 7: Compensation**

The compensation of directors and the CEO and CFO is determined by the Compensation Committee of the Board. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

### **Item 8: Other Board Committees**

In addition to the Audit Committee, the Board also has a Compensation Committee, comprised

of three Directors (Ravi Sood, Ben Illigens, and Scott Ackerman).

#### **Item 9: Assessments**

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an ongoing basis.

The Corporation allows any member of the Board to engage an outside advisor at the expense of the Corporation in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.

#### **Item 10: Term Limits**

The Board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Corporation has achieved a satisfactory mix and turnover in directors over its short history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.

#### **Item 11: Board and Executive Officer Diversity**

The Corporation has not adopted a written policy relating to gender diversity on the Board. At this time, the Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. As at the date hereof, none of the Corporation's five directors (0%) and none of the Corporation's two executive officers (0%) identify as women. While the Corporation believes that diversity, including gender diversity, is an important consideration in determining the makeup of its executive team and its Board, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility) that are considered in selecting the best candidates for executive officer and Board positions.

In identifying suitable Board nominees or in selecting and assessing candidates for executive officer positions, candidates are considered on merit against objective criteria regarding business experience, skill sets, competencies, technical expertise, sector specific knowledge and with due regard for the benefit of diversity including the level of representation of women in these capacities. As the need for new directors or executive officers arises, the Corporate Governance Committee assesses candidates on the basis of industry experience and business acumen with specific knowledge applicable to the Corporation and its business as desired at that particular time by the Corporation, the Board, and its committees. Board candidates are also evaluated against the area of expertise of existing members so new appointments may contribute to expanding the Board's breadth of experience.

## APPENDIX B

MANAGEMENT INFORMATION CIRCULAR DATED JANUARY 2, 2026





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**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR  
SHAREHOLDERS  
OF  
BIOMIND LABS INC.**

**TO BE HELD ON WEDNESDAY, FEBRUARY 4, 2026**

Dated as of January 2, 2026

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**BIOMIND LABS INC.**

**(the “Corporation”)**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of the common shares in the capital of the Corporation (the “**Common Shares**”) will be held on Wednesday, February 4, 2026 at the hour of 10:00 a.m. (Vancouver time). The Meeting will be held at 701 W. Georgia Street, Suite 515, Vancouver, British Columbia, for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial years ended December 31, 2023 and 2024, together with the reports of the auditor thereon;
2. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
3. to fix the number of the directors of the Corporation for the ensuing year at five (5);
4. to elect the directors of the Corporation for the ensuing year;
5. to re-approve the Corporation’s rolling stock option plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual General and Special Meeting of Shareholders is the management information circular (the “**Circular**”), and a form of proxy for Shareholders.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, Odyssey Trust Company, (a) by mail at Attn: Proxy Department, 67 Yonge St., Suite 1100, Toronto ON M5E 1J8, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12 digit control number by no later than 10:00 a.m. (Vancouver time) on February 2, 2026, or if the

Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays, and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy must carefully follow the instructions in the Circular and on their form of proxy. These instructions include the additional step of registering the proxyholder with the Corporation's transfer agent, Odyssey Trust Company, after submitting the form of proxy. **If you wish that a person other than the management nominees identified on the form of proxy attend and participate at the Meeting as your proxy and vote your Common Shares, you MUST register the proxyholder after having submitted your form of proxy identifying such proxyholder. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and will not be able to attend or vote at the Meeting.**

The record date for the determination of those Shareholders entitled to receive this Notice of Annual General and Special Meeting of Shareholders and to vote at the Meeting is the close of business on January 2, 2026 (the "**Record Date**"). Shareholders of record at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat or at any adjournment or postponement thereof on the basis of one vote for each Common Share held.

**DATED** at Toronto, Ontario this 2<sup>nd</sup> day of January,  
2026.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "*Alejandro Antalich*"

Alejandro Antalich  
Chief Executive Officer

## BIOMIND LABS INC.

### MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is being provided in connection with the annual general and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares (the “**Common Shares**”) in the capital of Biomind Labs Inc. (the “**Corporation**”). This Circular describes the item to be voted on at the Meeting as well as the voting process and other relevant matters. Unless otherwise indicated, all dollar amounts in this Circular are expressed in United States dollars. Any Canadian dollar amounts converted to United States dollars converted in this Circular have been converted using an exchange rate of 1 United States dollar = 1.3693 Canadian dollars, being the Bank of Canada daily exchange rate as of December 30, 2025 (the “**Exchange Rate**”).

### SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting for the purposes set forth in the attached Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”). The solicitation of proxies will primarily be made by sending proxy materials to the Shareholders by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of January 2, 2026.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, Circular and form of proxy or voting instruction form (if applicable) (collectively, the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**” and each, an “**Intermediary**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Odyssey Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

### APPOINTMENT AND REVOCATION OF PROXIES

A registered Shareholder can vote by proxy whether or not they attend the Meeting. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A registered Shareholder desiring to appoint some other person (who need not be a Shareholder) to represent him, her or it at the Meeting may do so either by inserting such person’s name in the blank space provided in the**

**applicable form of proxy or by completing another proper form of proxy.** In either case, a registered Shareholder can vote by proxy by delivering the completed proxy to the Corporation's transfer agent and registrar, Odyssey Trust Company, (a) by mail to Attn: Proxy Department, 67 Yonge St., Suite 1100, Toronto ON M5E 1J8 in the prepaid addressed envelope provided for that purpose, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12 digit control number so as to arrive by no later than 10:00 a.m. (Vancouver time) on February 2, 2026, or if the Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

**If you wish that a person other than the management nominees identified on the proxy attend and participate at the Meeting as your proxy and vote your Common Shares, you must submit your proxy appointing such third party proxyholder AND complete the additional step of registering the proxyholder by emailing Odyssey Trust Company at [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) by no later than 10:00 a.m. (Vancouver time) on February 2, 2026, or if the Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used, and provide Odyssey Trust Company with the required proxyholder contact information, amount of Common Shares appointed, name in which the Common Shares are registered, so that Odyssey Trust Company may provide the proxyholder with a Username via email. Failure to register the proxyholder with Odyssey Trust Company will result in the proxyholder not receiving login credentials to participate in the Meeting and not being able to attend, participate or vote at the Meeting.**

A Shareholder has the right to revoke a proxy that has been submitted. To revoke a proxy, the Shareholder may deliver a written notice to the registered office of the Corporation at any time up to and including the last business day before the Meeting or any adjournment of the Meeting. The proxy may also be revoked on the day of the Meeting or any adjournment of the Meeting by delivering written notice to the chairman of the Meeting. In addition, the proxy may be revoked by any other method permitted by law. The written notice of revocation may be executed by the Shareholder or by an attorney who has the Shareholder's written authorization. If the Shareholder is a corporation, the written notice must be executed by its duly authorized officer or attorney.

## **VOTING BY PROXYHOLDER**

### **Manner of Voting**

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

### **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Corporation who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **Legal Proxy – US Beneficial Shareholders**

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey Trust Company. Requests for registration from Beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) and received by 10:00 a.m. (Pacific Time) on February 2, 2026.

### **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Corporation as the registered holders of common shares in the capital of the Corporation (the “**Registered Shareholders**”) may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Odyssey at 67 Yonge St., Suite 1100, Toronto ON M5E 1J8, or by fax at 1-800-517-4553 or by internet by <http://odysseytrust.com/Transfer-Agent/Login>, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries, or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails

those forms to Beneficial Shareholders, and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge, or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Corporation has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our Transfer Agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. The Corporation does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Corporation. If you are a Beneficial Shareholder and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent, or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

### **Non-Objecting Beneficial Owners**

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Corporation will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Corporation’s transfer agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

### **Objecting Beneficial Owners**

Beneficial Shareholders, who are OBOs, should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return



instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge, or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on January 2, 2026 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 77,571,773 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the Business Corporation Act (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares are as follows:

| Name                                        | Number of Common Shares Owned, Controlled or Directed | Percentage of Voting Rights Attached to the Common Shares |
|---------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|
| Union Group Ventures Limited <sup>(1)</sup> | 14,794,696                                            | 19.07%                                                    |
| Arvesa Corp <sup>(2)</sup>                  | 13,371,495                                            | 17.24%                                                    |

**Note:**

- (1) Mr. Juan Sartori is the sole shareholder of Union Group International Holdings Limited, of which Union Group Ventures Limited (“**Union Ventures**”), its wholly-owned subsidiary, is a majority controlling shareholder of the Corporation.
- (2) Mr. Juan Sartori is the sole shareholder of Arvesa Corp.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Overview

The general objectives of the Corporation’s compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

#### *Elements of Compensation*

The compensation of Named Executive Officers (as such term is defined below) is comprised of the following elements: (a) base salary; and (b) long-term equity incentives, consisting of Options (as such term is defined below) granted under the Corporation’s Option Plan. These principal elements of compensation are described in further detail below.

1. Base Salary

Each Named Executive Officer (as such term is defined below) receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is provided in recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's base salary is reviewed by the board of directors of the Corporation (the "**Board**") or the Compensation Committee on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. At the discretion of the Board or the Compensation Committee, each of the Named Executive Officers is eligible to receive performance bonuses, which are contingent on the Named Executive Officer achieving certain performance objectives set annually by the Compensation Committee.

2. Option Plan

On May 14, 2021, the Corporation received Shareholder approval of the Option Plan and on July 23, 2021, it was adopted by the Board. The Option Plan permits the granting of (i) stock options and incentive stock options (the "**Options**") and is intended to reinforce commitment to long-term growth in profitability and shareholder value by encouraging share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan align the interests of the Named Executive Officers and the Board with Shareholders by linking a component of executive compensation to the longer-term performance of the Common Shares.

*Shares Subject to the Option Plan*

The Option Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued under all Options under the Option Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares from time to time, such number being 77,571,773 as at the date of this Circular. Notwithstanding the foregoing, the aggregate number of Common Shares that may be issued pursuant to awards of Incentive Stock Options shall not exceed 5% of the Corporation's issued and outstanding Common Shares from time to time, such number being 3,878,588 as at the date of this Circular.

The Option Plan is considered an "evergreen" plan, since the Common Shares covered by Options which have been exercised, settled or terminated shall be available for subsequent grants under the Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares increases.

As at the date of this Circular, Options to purchase up to 6,200,000 Common Shares (200,000 of which are held directly by NEOs or Directors of the Corporation) are issuable pursuant to previously granted options (representing approximately 8.0% of the issued and outstanding Common Shares) and Options to purchase up to a total of 1,557,177 Common Shares are available for grant under the Option Plan (representing approximately 2.0% of the issued and outstanding Common Shares).

*Eligibility*

Any of the Corporation's employees, officers, consultants, advisors and non-employee directors or any affiliate or person to whom an offer of employment or engagement with the Corporation is extended, are eligible to participate in the Option Plan (the "**Participants**"). The basis of participation of an individual under the Option Plan, and the type and amount of any Option that an individual will be entitled to receive under the Option Plan, will be determined by the Compensation Committee based on its judgment as to the best interests of the Corporation and its Shareholders, and therefore cannot be determined in advance.

If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, but only within 90 days following the date on which it ceased to be an Eligible Person, or within 30 such days if such Participant is an investor relations person or holder of Incentive Stock Options, exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The

Compensation Committee may extend such 90- or 30-day period subject to obtaining any approval required by the Exchange and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire on such date, unless extended pursuant to the Option Plan. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire immediately following the 90- or 30-day period unless extended pursuant to the Option Plan.

#### *Administration of the Option Plan*

The Option Plan shall be administered by the Compensation Committee. The Compensation Committee shall have full power and authority to designate Participant, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Compensation Committee may determine.

In addition, the Compensation Committee interprets the Option Plan and may adopt guidelines and other rules and regulations relating to the Option Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Option Plan.

#### *Exercise Price of Options*

Under the terms of the Option Plan, unless the Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options may not be lower than either: (i) the closing market price of the Common Shares on the Exchange on the trading day prior to the date of grant of the Options, or (ii) the five-day volume weighted average trading price, calculated by dividing the total value by the total volume of the Common Shares traded for the relevant period (the “**Fair Market Value**”). Options granted under the Option Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement.

Unless otherwise specified by the Compensation Committee the time of granting an Option and set forth in the particular Option Agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Fair Market Value of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to the provisions of the Option Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

#### *Term of Options*

The maximum term of an Option granted under the Option Plan is ten years from the date of grant. Payment in respect of the exercise of an Option may not be made, in whole or in part, with a promissory note.

#### *Transferability of Options*

Except as otherwise provided by the Compensation Committee in its discretion and subject to such additional terms and conditions as it determined, no Option (other than fully vested and unrestricted Common Shares issued pursuant to any Option) and no right under any such Option shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Option (other than fully vested and unrestricted Common Shares issued pursuant to any Option) or right under any such Option may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation,

attachment or encumbrance thereof shall be void and unenforceable against the Corporation or any Affiliate. Where the Compensation Committee does permit the transfer of an Option other than a fully vested and unrestricted Common Share, such permitted transfer shall be for no value and in accordance with all applicable securities rules. The Compensation Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Option in the event of the Participant's death. In the event of a Participant's death, any unexercised, options issued to such Participant shall be exercisable within a period of one year next succeeding the year in which the Participant died, unless such exercise period is extended by the Compensation Committee and approval is obtained from the stock exchange on which the Common Shares then trade, as applicable.

### ***Compensation of Directors***

Independent members of the Board are paid \$24,000 annually, which amount is paid quarterly. Directors of the Corporation are also compensated for their services through the granting of stock options and other equity incentives and may also be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors.

Officers of the Corporation who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation in their capacity as officers.

### ***Compensation Risk***

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Corporation's practice of compensating its officers primarily through a mix of salary, bonus and stock options is designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its shareholders. As at the date of this Circular, the Board had not identified risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

### ***Financial Instruments***

Pursuant to the terms of the Corporation's Insider Trading Policy, the Corporation's officers and directors are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an officer or director.

### ***Compensation Governance***

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is composed of Ravi Sood (Chair), Scott Ackerman, and Ben Illigens. All of the members of the Compensation Committee are considered "independent", as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Corporation's other executive officers is determined with regard to the Corporation's business strategies and objectives, such that the financial interest of the executive officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their

responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Corporation's compensation policies and practices. Mr. Sood and Mr. Ackerman have experience on the board of directors and related committees of other public companies, as described under "*Particulars of Matters to be Acted Upon - Election of Directors*" in this Circular.

### Summary Compensation Table – Named Executive Officers

In this Circular, a "Named Executive Officer" means: (a) the Chief Executive Officer of the Corporation at any time during the 2023, 2024 and 2025 fiscal years; (b) the Chief Financial Officer of the Corporation at any time during the 2023, 2024 and 2025 fiscal years; (c) the three other most highly compensated executive officers of the Corporation at the end of the financial year ended December 31, 2025 whose total compensation, individually, was greater than C\$150,000; and (d) each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor serving in a similar capacity, at the end of the financial year ended December 31, 2025

For the financial year ended December 31, 2025, the Corporation had the following Named Executive Officers, namely: (a) Alejandro Antalich, Chief Executive Officer; and (b) Oscar Leon, Chief Financial Officer. The following table presents the compensation earned by the Named Executive Officers for the years ended December 31, 2023, 2024, and 2025.

| Name and principal position                              | Year | Salary/Fee (\$)       | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) |                           | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|----------------------------------------------------------|------|-----------------------|-------------------------|--------------------------|---------------------------------------------|---------------------------|--------------------|-----------------------------|-------------------------|
|                                                          |      |                       |                         |                          | Annual incentive plans                      | Long-term incentive plans |                    |                             |                         |
| Alejandro Antalich, Chief Executive Officer and Director | 2025 | 144,000               | -                       | -                        | -                                           | -                         | -                  | -                           | 144,000                 |
|                                                          | 2024 | 145,089               | -                       | -                        | -                                           | -                         | -                  | -                           | 145,089                 |
|                                                          | 2023 | 144,000               | -                       | -                        | -                                           | -                         | -                  | -                           | 144,000                 |
| Oscar Leon, Chief Financial Officer and Director         | 2025 | -(1)                  | -                       | -                        | -                                           | -                         | -                  | -                           | -                       |
|                                                          | 2024 | 15,028 <sup>(1)</sup> | -                       | -                        | -                                           | -                         | -                  | -                           | 15,028                  |
|                                                          | 2023 | 60,000                | -                       | -                        | -                                           | -                         | -                  | -                           | 60,000                  |

**Note:**

(1) Mr. Leon agreed to suspend charging his monthly fee of \$5,000 as of April 1, 2024.

### Incentive Plan Awards – Named Executive Officers

#### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2025:

| Name                                                     | Option-Based Awards                                     |                               |                        |                                                | Share-Based Awards                                           |                                                                        |                                                                                      |
|----------------------------------------------------------|---------------------------------------------------------|-------------------------------|------------------------|------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                                                          | Number of securities underlying unexercised options (#) | Option exercise price (CAD\$) | Option expiration date | Value of unexercised in-the-money options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| Alejandro Antalich, Chief Executive Officer and Director | 100,000                                                 | 0.35                          | 12/03/30               | Nil                                            | Nil                                                          | Nil                                                                    | Nil                                                                                  |

## Director Compensation

### *Director Compensation Table*

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than directors who are also Named Executive Officers) during the financial years ended December 31, 2023, 2024, and 2025:

| Name                          | Year ended December 31, | Fees Earned (\$) | Share-based awards (\$) | Option-based awards (\$) | All other compensation (\$) | Total (\$) |
|-------------------------------|-------------------------|------------------|-------------------------|--------------------------|-----------------------------|------------|
| Scott Ackerman <sup>(1)</sup> | 2025                    | 4,000            | -                       | -                        | -                           | 4,000      |
|                               | 2024                    | N/A              | N/A                     | N/A                      | N/A                         | N/A        |
|                               | 2023                    | N/A              | N/A                     | N/A                      | N/A                         | N/A        |
| Ben Illigens                  | 2025                    | 24,000           | -                       | -                        | -                           | 24,000     |
|                               | 2024                    | 23,922           | -                       | -                        | -                           | 23,922     |
|                               | 2023                    | 24,000           | -                       | -                        | -                           | 24,000     |
| Ravi Sood                     | 2025                    | 24,000           | -                       | -                        | -                           | 24,000     |
|                               | 2024                    | 23,922           | -                       | -                        | -                           | 23,922     |
|                               | 2023                    | 24,000           | -                       | -                        | -                           | 24,000     |
| Fraser Buchan <sup>(2)</sup>  | 2024                    | -                | -                       | -                        | -                           | -          |
|                               | 2023                    | 24,000           | -                       | -                        | -                           | 24,000     |

**Note:**

- (1) Mr. Ackerman was appointed as a Director on November 18, 2025.
- (2) Mr. Buchan resigned as a Director on February 9, 2024.

### *Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than directors who are also Named Executive Officers) as of December 31, 2025:

| Name           | Option-Based Awards                                     |                               |                        |                                                               | Share-Based Awards                                           |                                                                        |                                                                                      |
|----------------|---------------------------------------------------------|-------------------------------|------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                | Number of securities underlying unexercised options (#) | Option exercise price (CAD\$) | Option expiration date | Value of unexercised in-the-money options <sup>(1)</sup> (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| Scott Ackerman | 100,000                                                 | 0.35                          | 12/03/30               | Nil                                                           | Nil                                                          | Nil                                                                    | Nil                                                                                  |

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information with respect to all compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2025.

### **Equity Compensation Plan Information**

| <b>Plan Category</b>                                                 | <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights</b> | <b>Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)</b> |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      | (a)                                                                                                | (b)                                                                                | (c)                                                                                                                                              |
| Equity compensation plans approved by securityholders <sup>(1)</sup> | 6,200,000                                                                                          | \$0.35                                                                             | 1,557,177                                                                                                                                        |
| Equity compensation plans not approved by securityholders            | Nil                                                                                                | N/A                                                                                | Nil                                                                                                                                              |
| <b>TOTAL</b>                                                         | <b>6,200,000</b>                                                                                   | <b>\$0.35</b>                                                                      | <b>1,577,177</b>                                                                                                                                 |

- (1) The foregoing information is presented as at December 31, 2025. As at December 31, 2025, the Corporation had 77,571,773 Common Shares issued and outstanding.
- (2) Represents the Option Plan of the Corporation. As at December 31, 2025, the Option Plan reserved Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares for issue pursuant to the Option Plan.

### **Management Contracts**

The following is a description of the management contracts for the Named Executive Officers (as defined below):

#### **Alejandro Antalich**

Alejandro Antalich currently receives a base salary of \$144,000 per annum for his services as Chief Executive Officer of the Corporation. He has entered into an employment agreement (the “**CEO Employment Agreement**”) with the Corporation which is for an indefinite term and includes provisions relating to, among other things, base salary, an annual performance bonus and equity awards. As per the CEO Employment Agreement, Mr. Antalich is eligible to be considered for an annual performance bonus, currently for up to 50% of Mr. Antalich’s base salary and shall be based on criteria established by the Board and the Compensation Committee.

In the event that the CEO Employment Agreement is terminated without cause, the Corporation will pay to Mr. Antalich a cash severance payment equal to twelve (12) months’ base salary. Mr. Antalich may terminate the CEO Employment Agreement by providing thirty (30) days’ written notice to the Corporation.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director, or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial years ended December 31, 2023, 2024, or 2025 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial years ended December 31, 2023, 2024, or 2025 or as at the date of this Circular in connection with security purchase programs or other programs.

## REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in NI 58-101, is set out at Schedule "A" to this Circular.

## AUDIT COMMITTEE DISCLOSURE

### Audit Committee's Charter

The charter (the "**Charter**") of the Corporation's Audit Committee is reproduced as Schedule "B".

### Composition of Audit Committee

As at the date of this Circular, the Audit Committee is composed of Ravi Sood (Chair), Scott Ackerman, and Ben Illigens, each of whom is a director of the Corporation.

All of the members of the Audit Committee are "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation is of the opinion that all three members of the Audit Committee are "financially literate" as such term is defined in NI 52-110.

### Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

*Ravi Sood* – Mr. Sood is managing director of Signal 8 Limited based in Toronto, Canada. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as Executive Chairman of Golconda Gold Ltd. (formerly Galane Gold Ltd.) (TSXV) and Chairman of SPARQ Corp. (TSXV). He was the founder and Chief Executive Officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada. Mr. Sood led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., from its founding in 2001 until he sold the firm in 2010. Mr. Sood was educated at the University of Waterloo (B.Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards.

*Scott Ackerman* – Mr. Ackerman is the President and CEO of Emprise Capital Corp. ("Emprise"), a company providing management, restructuring, accounting, and financial services to public companies. Mr. Ackerman has been active in the public markets for more than 30 years, having held senior executive roles in various capacities from investor relations to executive management, and as chairman of a number of audit committees.

*Ben Illigens* – Dr. Illigens is a clinical scientist, clinical biostatistician, clinical data scientist and teacher,



with over 12 years' experience in implementing life science, healthcare and digital technologies, innovative programs, products and services in the academic, the biotech, pharmaceutical, CRO and life science market in Europe, USA, Latin America and Asia. Dr. Illigens has been CEO of UniMedIT, GBR, a healthcare research enterprise, and VP of Data Science at Odysseus Data Science GmbH, a healthcare analytics company. He was previously an Instructor in Neurology at Harvard Medical School Department of Neurology, and he is currently a Director of Clinical Research at Dresden International University. Dr. Illigens earned his MD from Free University of Berlin, Germany, and a Doctorate in Medicine from the Dresden Medical Faculty, as well as a Masters in Biomedical Informatics from Harvard Medical School.

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

### External Auditor Service Fees (By Category)

The following table sets forth, by category, the fees for all services rendered by the external auditor for the three most recent fiscal years ended December 31:

|                                   | FYE 2023 | FYE 2024 | FYE 2025 (estimated) |
|-----------------------------------|----------|----------|----------------------|
|                                   | \$       | \$       | \$                   |
| Audit Fees <sup>(1)</sup>         | 54,000   | 47,500   | 47,500               |
| Audit-Related Fees <sup>(2)</sup> | -        | -        | -                    |
| Tax Fees <sup>(3)</sup>           | -        | -        | -                    |
| All Other Fees <sup>(4)</sup>     | -        | -        | -                    |
| Total Fees                        | 54,000   | 47,500   | 47,500               |

#### Notes:

- (1) "**Audit Fees**" includes fees necessary to perform the annual audit of the Corporation's financial statements. These services include reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor.
- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under notes (1), (2) and (3) above.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Presentation of Financial Statements

The audited financial statements of the Corporation for the financial years ended December 31, 2023 and 2024 (the “**Financial Statements**”), together with the auditor’s reports (the “**Auditor’s Report**”) thereon will be presented to Shareholders at the Meeting, but no vote thereon is required. The Financial Statements, Auditor’s Reports and management’s discussion and analysis’ (the “**MD&A**”) for the financial years ended December 31, 2023 and 2024 are available under the Corporation’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Notice of Meeting to Shareholders, this Circular, Request for Financial Statements and form of proxy will be available from Odyssey, 67 Yonge St., Suite 1100, Toronto ON M5E 1J8, or the Corporation’s Vancouver office located at Suite 515 – 701 W. Georgia Street, Vancouver, British Columbia V7Y 1C6.

### 2. Appointment and Remuneration of Auditor

Management proposes to nominate Davidson & Company LLP, Chartered Professional Accountants, which firm has been auditor of the Corporation since August 22, 2023, as auditor of the Corporation to hold office until the next annual meeting of Shareholders, at remuneration to be fixed by the Board of Directors.

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF DAVIDSON & COMPANY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### 3. Fixing the Number of Directors

The Board of Directors presently consists of five (5) directors and Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at five (5). Although Management is nominating five (5) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.**

### 4. Election of Directors

The Board presently consists of five directors, namely, Alejandro Antalich, Oscar Leon, Scott Ackerman, Dr. Ben Illigens and Ravi Sood. At the Meeting, the Shareholders will be asked to elect the foregoing directors (collectively, the “**Board Nominees**” and each a “**Board Nominee**”) as directors of the Corporation. Each Board Nominee elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed form of proxy permits Shareholders to vote for all the Board Nominees together or for each Board Nominee on an individual basis.

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE BOARD NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR BOARD NOMINEE OR BOARD NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE BOARD NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE BOARD NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL**

**BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.**

***Advance Notice Requirement***

The Corporation's By-Law No. 1, contains a requirement providing for advance notice of nominations of directors (the "**Advance Notice Requirement**") in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made. The Corporation's By-Law No. 1 is available under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors.

| <b>ALEJANDRO ANTALICH</b>                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Principal Occupation and Biographical Information</b> |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Montevideo, Uruguay<br>Director Since: July 23, 2021<br><br><b>Not Independent</b>   | Mr. Antalich is the former Chief Executive Officer of ICC Labs Inc. (TSXV), the first publicly traded company in the world to sell cannabis to a federal government. Through strategic foresight, determination, commitment, responsibility, teamwork, and passion, he led ICC Labs to its successful sale to Aurora Cannabis (TSX) in November 2018. An entrepreneur with a commercial instinct and vision towards business growth, with expertise in the pharmaceutical industry, operations, manufacturing, and product development. A savvy negotiator that manages unique relationship building skills. He led the negotiations of a multimillion transaction with one of the largest participants in the cannabis industry. |                                                          |
| <b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 100,000 <sup>(2)</sup>                                   |

**Notes:**

- (1) Represents Common Shares, Options and any other convertible securities, on a fully diluted basis.
- (2) Mr. Antalich holds options exercisable into an aggregate of 100,000 Common Shares.

| <b>SCOTT ACKERMAN</b>                                                                      |                                                                                                                                                                                                                                                                                                                           | <b>Principal Occupation and Biographical Information</b> |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Vancouver, British Columbia<br>Director Since: November 18, 2025<br><br><b>Independent</b> | Mr. Ackerman has been the Chief Executive Officer of Emprise Capital Corp., a private merchant bank that provides restructuring services to public companies since January 2004. Mr. Ackerman is also a director, senior officer, and chair of a number of audit committees for several Canadian listed public companies. |                                                          |
| <b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b>       |                                                                                                                                                                                                                                                                                                                           | 100,000 <sup>(2)</sup>                                   |

**Notes:**

- (1) Represents Common Shares, Options and any other convertible securities, on a fully diluted basis.
- (2) Mr. Ackerman holds options exercisable into an aggregate of 100,000 Common Shares.

| <b>BEN ILLIGENS</b>                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Principal Occupation and Biographical Information</b> |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Berlin, Germany<br>Director Since: July 23, 2021<br><br><b>Independent</b>           | Dr. Illigens is a clinical scientist, clinical biostatistician, clinical data scientist and teacher, with over 12 years experience in implementing life science, healthcare and digital technologies, innovative programs, products and services in the academic, the biotech, pharmaceutical, CRO and life science market in Europe, USA, Latin America and Asia. Dr. Illigens has been CEO of UniMedIT, GBR, a healthcare research enterprise, and VP of Data Science at Odysseus Data Science GmbH, a healthcare analytics company. He was previously an Instructor in Neurology at Harvard Medical School Department of Neurology, and he is currently a Director of Clinical Research at Dresden International University. Dr. Illigens earned his MD from Free University of Berlin, Germany, and a Doctorate in Medicine from the Dresden Medical Faculty, as well as a Masters in Biomedical Informatics from Harvard Medical School. |                                                          |
| <b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0                                                        |

**Notes:**

- (1) Represents Common Shares, Options and any other convertible securities, on a fully diluted basis.

| <b>RAVI SOOD</b>                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Principal Occupation and Biographical Information</b> |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Ontario, Canada<br>Director Since: July 23, 2021<br><br><b>Independent</b>           | Mr. Sood is managing director of Signal 8 Limited based in Toronto, Canada. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as Executive Chairman of Golconda Gold Ltd. (formerly Galane Gold Ltd.) (TSXV) and Chairman of SPARQ Corp. (TSXV). He was the founder and Chief Executive Officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada. Mr. Sood led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., from its founding in 2001 until he sold the firm in 2010. Mr. Sood was educated at the University of Waterloo (B.Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards. |                                                          |
| <b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0                                                        |

**Notes:**

- (1) Represents Common Shares, Options and any other convertible securities, on a fully diluted basis.

| <b>OSCAR LEON</b>                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Principal Occupation and Biographical Information</b> |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Montevideo, Uruguay<br>Director Since: July 23, 2021<br><br><b>Not Independent</b>   | Mr. Leon is a highly experienced Certified Public Accountant with a solid background in Financial Management, Accounting, Project Finance and Risk Analysis, with extensive experience in Agriculture, Cannabis Mining and Hydropower Industries, U.S. and Canadian GAAP and IFRS knowledge and SEC and Canadian regulatory reporting and filing experience. Mr. Leon, with a strong sense of teamwork, quality and ethics, is a results-oriented individual who demonstrates his abilities to the benefit of the organization, Mr. Leon has over three decades of experience as a Certified Public Accountant and over two decades of experience as CFO, Financial Controller, Chief Accountant for several Uruguayan, Canadian and American Companies. |                                                          |
| <b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0                                                        |

**Notes:**

- (1) Represents Common Shares, Options and any other convertible securities, on a fully diluted basis.

***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes

of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as set forth below, to the knowledge of the Corporation, no proposed Director (including any personal holding company of a proposed Director), is:

1. as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - a. was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively an “**order**”), that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - b. was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Ravi Sood was a director of Golconda Gold Ltd. (formerly Galane Gold Ltd.), which was delisted from the Botswana Stock Exchange (the “**BSE**”) effective August 14, 2017 for failure to pay certain fees required by the BSE’s listing requirements. The delisting of Galane Gold Ltd. from the BSE followed a temporary suspension of the corporation’s listing on the BSE that was imposed on July 13, 2017.

Alejandro Antalich, Oscar Leon, Ravi Sood, and Ben Illigens are directors and/or officers of the Corporation. While Mr. Antalich, Leon, Sood, and Illigens were directors of the Corporation, on April 8, 2024, the Corporation was subject to a cease trade order of the OSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2023. The Corporation subsequently filed the required documents and the cease trade order was revoked on June 4, 2024. On April 4, 2025, the Corporation was subject to a cease trade order of the OSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2024. The Corporation subsequently filed the required documents and the cease trade order was revoked on November 25, 2025.

Scott Ackerman is a director of NeutriSci International Inc. (“NeutriSci”). On May 7, 2024, while Mr. Ackerman was a director of NeutriSci, NeutriSci was subject to a cease trade order of the BCSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2023. The cease trade order remains in effect.

Scott Ackerman and Alejandro Antalich are directors and officers of EvokAI Creative Labs Inc. (“EvokAI”). On May 6, 2025, while Mr. Ackerman and Mr. Antalich were directors and officers of EvokAI, EvokAI was subject to a cease trade order of the BCSC for failure to file the required continuous disclosure documents for the financial year ended December 31, 2024. The cease trade order remains in effect.

2. is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
3. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
4. has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory

authority since March 31, 2000 or before March 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed Director; or

5. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Ravi Sood was a director of Eve & Co Incorporated (“Eve”) until March 22, 2022, following which, on March 25, 2022, Eve and its subsidiaries, Natural MedCo Ltd. and Eve & Co International Holdings Ltd. (collectively, the “Eve Group”) announced that it had sought and obtained an order for creditor protection (the “Initial Order”) from the Ontario Superior Court of Justice (Commercial List) under the Companies’ Creditors Arrangement Act (“CCAA”). The Initial Order includes, among other things: (i) a stay of proceedings in favour of the Eve Group; (ii) approval of a debtor-in-possession loan from Deans Knight Capital Management Ltd., on behalf of its clients; and (iii) the appointment of BDO Canada Limited as monitor of the Eve Group.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

## **5. Approval of the Stock Option Plan**

On May 14, 2021, the Shareholders approved the Option Plan, and on July 23, 2021 it was adopted by the Board of Directors. Under the policies of the Cboe Canada (the “**Exchange**”), a rolling stock option plan must be re-approved by shareholders every three years. Accordingly, Shareholders will be asked to pass an Ordinary Resolution adopting and re-approving the Corporation’s Option Plan (the “**Option Plan**”).

The Option Plan is a ten (10%) percent rolling stock option plan, and the text of the Option Plan is attached to this Circular as Schedule “C”.

At the Meeting, Shareholders will be asked to pass the following Ordinary Resolution to re-approve the Option Plan (the “**Option Plan Resolution**”), substantially in the following form:

**“BE IT RESOLVED THAT** the Corporation’s Option Plan be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the Exchange, as the directors of the Corporation may deem necessary or advisable.”

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Stock Option Plan Resolution.**

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Corporation’s audited financial statements and Management’s Discussion and Analysis (the “**MD&A**”) for the year ended December 31, 2024. In addition, copies of the Corporation’s annual financial statements and the MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

**APPROVAL OF BOARD OF DIRECTORS**

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the Board.

Dated: January 2, 2026.

*“Alejandro Antalich”*

Alejandro Antalich  
Chief Executive Officer

**SCHEDULE "A"**  
**STATEMENT OF CORPORATE GOVERNANCE**  
**PRACTICES**

The following provides information with respect to the Corporation's compliance with the corporate governance requirements of the Canadian Securities Administrators set forth in NI 58-101 and Form 58-101F1 – *Corporate Governance Disclosure*.

**Board of Directors**

The board of directors of the Corporation (the “**Board**”) believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. In-camera sessions, without management and non-independent directors present, are held after each meetings of the Board, or as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. The Board discharges its responsibilities directly and through the committees of the Board: (i) the Audit Committee, comprised of three independent Board members; and (ii) the Compensation Committee, comprised of two independent Board members. Each committee of the Board operates under a formal charter or mandate which is reviewed, and updated as necessary, on an annual or more frequent basis. In fulfilling its responsibilities, the Board delegates day-to-day authority to management of the Corporation, while reserving the ability to review management decisions and exercise final judgement on any matter. In accordance with applicable legal requirements and historical practice, all matters of a material nature are presented by management to the Board for approval.

The Board is currently comprised of five directors, 60% of whom are independent (within the meaning of Section 1.4 of NI 52-110 – *Audit Committees*) as of the date hereof. NI 58-101 defines an “independent director” as a director who has no direct or indirect "material relationship" with the issuer. A “material relationship” is a relationship which could be, in the view of the board of directors of a company, reasonably expected to interfere with the exercise of a member's independent judgment. Each of Ravi Sood, Ben Illigens and Scott Ackerman are considered to be independent within the meaning of NI 58-101. Alejandro Antalich, the Corporation's Chief Executive Officer, and Oscar Leon, the Corporation's Chief Financial Officer, are not independent, as both are officers of the Corporation.

***Chair***

The Chair of the Board is currently Ravi Sood.

The Chair's key responsibilities include duties relating to: overseeing the operations and affairs of the Board; providing leadership to foster the effectiveness of the Board; ensuring there is an effective relationship between the Board and senior management of the Corporation; ensuring that appropriate structures and procedures are in place so that the Board may function independently of management; recommending, where necessary, the holding of meetings of independent directors; leading the process by which the independent directors seek to ensure that the Board represents and protects the interest of the Corporation's securityholders; ensuring the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board; and chairing all meetings of the Board and shareholders.



***Other Public Company Directorships***

The following current directors of the Corporation are also currently directors of the following reporting issuers:

| <b>Director</b>           | <b>Name of Reporting Issuer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Alejandro Antalich</b> | EvokAI Creative Labs Inc.<br>Moolec Science SA                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Oscar Leon</b>         | Adecoagro SA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Ravi Sood</b>          | Sparq Systems Inc.<br>Elemental Altus Royalties Corp.<br>Golconda Gold Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Scott Ackerman</b>     | Tablas Ventures Ltd.<br>Beretta Ventures Ltd.<br>NeutriSci International Inc.<br>Kubera Gold Corp.<br>Infield Minerals Corp.<br>Bravern Ventures Ltd.<br>Volcanic Gold Mines Inc.<br>EvokAI Creative Labs Inc.<br>Nota Bene Ventures Ltd.<br>Brandlin Ventures Ltd.<br>Noemi Ventures Ltd.<br>Orinswift Ventures Ltd.<br>Queue Ventures Ltd.<br>ECC Diversified Inc.<br>ECC Ventures 6 Corp.<br>Aubert Ventures Ltd.<br>Montelena Ventures Ltd.<br>Nacido Ventures Ltd.<br>Varozza Ventures Ltd. |

***Meetings***

The Board generally has quarterly meetings, held in conjunction with the timing of the filing of interim and annual financial reports, and additional meetings scheduled on the basis of new business activities that require Board input and approval. At Board meetings, in camera sessions are held with the independent members of the Board.

During the current year, approval of the Corporation's financial statements was conducted by consent resolution, and, given the Corporation's current cease trade status and efforts by the Corporation to secure additional financing, the Board has had frequent and constant communication with the Corporation's senior management team.

**Item 2: Board Mandate*****Directors' Responsibilities***

The Directors are responsible for the stewardship of the Corporation. To discharge this obligation, the Directors, directly and through the applicable committees of the Board of Directors, should assume

responsibility in the following areas:

### ***Strategic Planning Process***

- Provide input to management on emerging trends and issues.
- Adopt, review, and approve, if appropriate, management's strategic plans on an annual basis.
- Review and approve the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.

### ***Monitoring Tactical Progress***

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- Analyze and discuss information relating to the Corporation's achievement of objectives.
- Assess and oversee the nature and scope of monitoring activities and management's evaluation and remediate deficiencies.

### ***Risk Assessment***

- Identify the principal risks of the Corporation's businesses and ensure that appropriate systems are in place to manage these risks.
- Oversee management's assessment of risks to the achievement of the Corporation's objectives and ensure that appropriate systems are in place to manage the principal risks of the Corporation's businesses.

### ***Senior Level Staffing***

- Select, monitor, and evaluate the Chief Executive Officer and approve the appointment of other senior executives, and ensure the adoption of a management succession plan.
- Approve a position description for the Chief Executive Officer including limits to management's responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Corporate Governance and Nominating Committee.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers.
- Satisfy itself that the Chief Executive Officer and other executive officers create, maintain and foster a culture of integrity throughout the Corporation.
- Engage in succession planning including, identifying, training, and monitoring future senior management.

### ***Integrity***

- Provide oversight to the Chief Executive Officer and other executive officers in the development and performance of control activities.
- Ensure the integrity of the Corporation's internal control, financial reporting, and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation's own governing documents, and accountability to the Board of Directors.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

### ***Material Transactions***

- Review and approve material transactions not in the ordinary course of business, including without limitation, stock issuances, acquisitions, loans, and leases.
- Review any potential related party transaction or non-arm's length transaction regardless of materiality.

### ***Monitoring Directors' Effectiveness***

- Assess their own effectiveness in fulfilling the above and Directors' responsibilities, including monitoring the effectiveness of individual Directors.
- Define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to ask probing questions of senior management and take commensurate actions.

### ***Disclosure Policy and Code of Business Conduct***

- Adopt, monitor, and periodically review the effectiveness of a corporate disclosure policy and a code of business conduct.
- Make determinations with respect to waiving compliance with the code of business conduct by Directors

and executive officers.

### ***Feedback from Shareholders***

- Develop measures for the receipt, by the Directors, of feedback from shareholders.

### ***Expectations of Directors***

- Directors are expected to attend all board meetings and meetings of the committees on which they serve.
- The specific dates of Board meetings to approve interim and annual financial results shall be scheduled at the commencement of each fiscal year.
- Additional meetings of the Board shall be called on an as-required basis, and additional meetings shall be called by the Chair of the Board.
- Directors are expected to review materials to be presented at Board meetings prior to such meetings. Such materials are to be circulated with sufficient advanced notice to allow Board members adequate review time. However, for unscheduled meetings, shorter notice may be necessary.
- All meeting shall have an In Camera session that shall be used at the discretion of the Board.

### ***Corporate Governance***

- Develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- The Board may delegate this responsibility to a committee of the directors, which committee shall have a majority of "Independent" directors (as such term is defined in National Policy 58-201 – *Corporate Governance Guidelines*) and the remaining members of which, if any, shall be "non- management" directors.

### ***Other***

- Perform such other functions as prescribed by law or assigned to the Directors in the Corporation's constating documents, policies, and guideline.

## **Item 3: Position Descriptions**

Given the size and stage of the Corporation, the Board has not developed written position descriptions for the Chair, or the Chief Executive Officer or Chief Financial Officer. The Board delineates the responsibilities of the role of the Chair through the Board Mandate, and the responsibilities of roles of the Chief Executive Officer and the Chief Financial Officer through ongoing oversight by the Board. The Chief Executive Officer and the Chief Financial Officer are responsible for the overall management of the Corporation's operations, execution of strategic plans approved by the Board, and day-to-day decision making. The Chief Executive Officer and the Chief Financial Officer provide regular updates to the Directors of the Corporation.

## **Item 4: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Corporation's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Corporation expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Corporation's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Corporation and the Board.

## **Item 5: Ethical Business Conduct**

The Board does not currently take any formal steps to encourage and promote a culture of ethics and business conduct. Directors and Officers of the Corporation are encouraged to conduct themselves and the business of the Corporation with the utmost honesty and integrity. Directors are also encouraged to consult with the Corporation's professional advisors with respect to any issues related to ethical business conduct.

## **Item 6: Nomination of Directors**

The identification of potential candidates for nomination as directors of the Corporation is carried out by all directors, who are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

### **Item 7: Compensation**

The compensation of directors and the CEO and CFO is determined by the Compensation Committee of the Board. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

### **Item 8: Other Board Committees**

In addition to the Audit Committee, the Board also has a Compensation Committee, comprised of three Directors (Ravi Sood, Ben Illigens, and Scott Ackerman).

### **Item 9: Assessments**

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an ongoing basis.

The Corporation allows any member of the Board to engage an outside advisor at the expense of the Corporation in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.

### **Item 10: Term Limits**

The Board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Corporation has achieved a satisfactory mix and turnover in directors over its short history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.

### **Item 11: Board and Executive Officer Diversity**

The Corporation has not adopted a written policy relating to gender diversity on the Board. At this time, the Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. As at the date hereof, none of the Corporation's five directors (0%) and none of the Corporation's two executive officers (0%) identify as women. While the Corporation believes that diversity, including gender diversity, is an important consideration in determining the makeup of its executive team and its Board, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility) that are considered in selecting the best candidates for executive officer and Board positions.

In identifying suitable Board nominees or in selecting and assessing candidates for executive officer positions, candidates are considered on merit against objective criteria regarding business experience, skill sets, competencies, technical expertise, sector specific knowledge and with due regard for the benefit of diversity including the level of representation of women in these capacities. As the need for new directors or executive officers arises, the Corporate Governance Committee assesses candidates on the basis of industry experience and business acumen with specific knowledge applicable to the Corporation and its business as desired at that particular time by the Corporation, the Board, and its committees. Board candidates are also evaluated against the area of expertise of existing members so new appointments may contribute to expanding the Board's breadth of experience.

## **SCHEDULE "B"** **AUDIT COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every Cboe Canada Inc. listed company, including the Corporation.

This Charter has been adopted by the Board of Directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board of Directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

### **PART 1**

#### **Purpose:**

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

#### **1.1 Definitions**

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“**Affiliate**” means a company that is a subsidiary of another company or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not

materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means an individual’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the individual or the individual’s immediate family member) who shares the individual’s home;

“**independent**” means independent only as determined by the Instrument;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

## 1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

## 2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

## 2.2 Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee, and the Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

## 2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
  - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing the audit plan with management and the external auditor;

- (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
  - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
  - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses;
  - (l) reviewing the appointments of the chief financial officer, the Corporation's head of internal audit, if any, and any key financial executives involved in the financial reporting process, as applicable;
  - (m) reviewing annually the Charter and annually obtain approval from the board of directors; and
  - (n) if an internal auditor is appointed, reviewing and annually approving the internal audit charter and the risk based internal audit plan.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
  4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
  5. The Committee shall review and discuss the quality of the Corporation's accounting principles, internal controls, and financial statements.
  6. The Committee shall review and assess the adequacy of risk management policies, procedures, and processes and review updates on risks.
  7. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and shall periodically assess the adequacy of those procedures.
  8. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.

9. The Committee shall review all reportable events, including disagreements, unresolved issues, and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
10. The Committee shall, as applicable, establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
11. As applicable, the Committee shall establish, periodically review, and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
12. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities, including but not limited to the review the materiality levels proposed by external auditors, the viability as a going concern, the status of financial instruments, review of the budget and financial forecasts prepared by management linked to the Corporation's development projects, oversight of tax services provided to the Corporation and selection who shall review (for approval) the expenses of the Chief Executive Officer.
13. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

## **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (b) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

## **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

## **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. Every Member shall be independent.
4. Every Member shall be financially literate.



5. The board of directors of the Corporation shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

#### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (a) set and pay the compensation for any advisors employed by the Committee;
- (b) communicate directly with the internal and external auditors; and
- (c) recommend the amendment or approval of audited and interim financial statements to the board of directors.

#### **5.1 Required Disclosure**

The Corporation must include in its Annual Information Form the disclosure required by Form 52-110F1.

#### **5.2 Disclosure in Information Circular**

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular a cross-reference to the sections in the Corporation's Annual Information Form that contain the information required by section part 5.

#### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.
4. The Committee shall meet separately with external auditors at every meeting where the external auditors are present.
5. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

**SCHEDULE "C"**  
**STOCK OPTION PLAN**

## STOCK OPTION PLAN

### BIOMIND LABS INC.

**ADOPTED BY THE BOARD OF DIRECTORS: July 23, 2021**  
**APPROVED BY THE COMPANY'S SHAREHOLDERS: May 14, 2021**

#### **Section 1. Purpose**

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and Non-Employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

#### **Section 2. Definitions**

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) "Affiliate" shall mean any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company within the meaning of the *Business Corporations Act* (Ontario).
- (b) "Award" shall mean any Option granted under the Plan.
- (c) "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium) executed in accordance with the requirements of Section 10(b).
- (d) "Board" shall mean the Board of Directors of the Company.
- (e) "Cashless Exercise" has the meaning given to that terms under paragraph 6(a)(v)(A).
- (f) "Cashless Exercise Notice" means the notice respecting the exercise of an Option on a cashless basis, in the form, set out as Schedule "A" hereto, duly executed by the Participant.
- (g) "Code" shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.
- (h) "Committee" shall mean the Compensation Committee of the Board or such other committee designated by the Board to administer the Plan.
- (i) "Company" shall mean Biomind Labs Inc. (formerly Crosswinds Holdings Inc.), an Ontario corporation, and any successor corporation.
- (j) "Consultant" means, in relation to the Company, an individual or a Consultant Company, other than an Employee, Director or Officer of the Company, that:
  - (i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (k) “*Consultant Company*” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (l) “*Director*” shall mean a member of the Board.
- (m) “*Effective Date*” shall mean the date the Plan is adopted by the Board, as set forth in Section 12.
- (n) “*Eligible Person*” shall mean any employee, officer, Non-Employee Director, or Consultant providing services to the Company or any Affiliate, or any such person to whom an offer of employment or engagement with the Company or any Affiliate is extended.
- (o) “*Fair Market Value*” with respect to one Share as of any date shall mean:
  - (a) if the Shares are listed on the NEO Exchange or any established stock exchange, the price of one Share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of Shares shall have occurred on such date, on the next preceding date on which there was a sale of Shares. Notwithstanding the foregoing, in the event that the Shares are listed on the NEO Exchange, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall be determined by the Committee as being either: (i) the closing of the market price of the Shares on the NEO Exchange on the prior trading day to the date of the grant of the Options; or (ii) the five-day volume weighted average trading price, calculated by dividing the total value by the total volume of the Shares traded for the relevant period;
  - (b) if the Shares are not so listed on the NEO Exchange or any established stock exchange, the average of the closing “bid” and “ask” prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “ask” prices on such date, on the next preceding date for which there are such quotes for a Share; or
  - (c) if the Shares are not publicly traded as of such date, the per share value of one Share, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.
- (p) “*Incentive Stock Option*” shall mean an option to purchase Shares granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.
- (q) “*NEO Exchange*” means the Neo Exchange Inc.
- (r) “*Non-Employee Director*” shall mean a Director who is not also an employee of the Company or any Affiliate.
- (s) “*Non-Qualified Stock Option*” shall mean an option to purchase Shares granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.
- (t) “*Option*” shall mean an Incentive Stock Option or a Non-Qualified Stock Option to purchase Shares.
- (u) “*Participant*” shall mean an Eligible Person designated to be granted an Award under the Plan.
- (v) “*Person*” shall mean any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.
- (w) “*Plan*” shall mean this Stock Option Plan, as amended from time to time.

- (x) “*Related Person*” has the meaning ascribed thereto in section 2.22 of National Instrument 45-106 *Prospectus Exemptions*, which includes, without limitation, any director, an executive officer of the Company or of its any Affiliates.
- (y) “*Section 409A*” shall mean Section 409A of the Code, or any successor provision, and applicable Treasury Regulations and other applicable guidance thereunder.
- (z) “*Securities Act*” shall mean the U.S. Securities Act of 1933, as amended.
- (aa) “*Share*” or “*Shares*” shall mean common shares in the capital of the Company (or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan).
- (bb) “*Specified Employee*” shall mean a specified employee as defined in Section 409A(a)(2)(B) of the Code or applicable proposed or final regulations under Section 409A, determined in accordance with procedures established by the Company and applied uniformly with respect to all plans maintained by the Company that are subject to Section 409A.
- (cc) “*Tax Act*” means the *Income Tax Act* (Canada).
- (dd) “*U.S. Award Holder*” shall mean any holder of an Award who is a “U.S. person” (as defined in Rule 902(k) of Regulation S under the Securities Act) or who is holding or exercising Awards in the United States.

### **Section 3. Administration**

- (a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the number of Shares to be covered by each Award; (iii) determine the terms and conditions of any Award or Award Agreement, including any terms relating to the forfeiture of any Award and the forfeiture, recapture or disgorgement of any cash, Shares or other amounts payable with respect to any Award; (iv) amend the terms and conditions of any Award or Award Agreement, subject to the limitations under Section 7; (v) accelerate the exercisability of any Award or the lapse of any restrictions relating to any Award, subject to the limitations in Section 7; (vi) determine whether, to what extent and under what circumstances Awards may be exercised or canceled, forfeited or suspended, subject to the limitations in Section 7; (vii) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee, subject to the requirements of Section 409A; (viii) interpret and administer the Plan and any instrument or agreement, including an Award Agreement, relating to the Plan; (ix) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and (xi) adopt such modifications, rules, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of the jurisdictions in which the Company or an Affiliate may operate, including, without limitation, establishing any special rules for Affiliates, Eligible Persons or Participants located in any particular country, in order to meet the objectives of the Plan and to ensure the viability of the intended benefits of Awards granted to Participants located in such non-United States jurisdictions. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.
- (b) Delegation. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion, the authority to grant Awards; *provided, however*, that the Committee shall not delegate

such authority in such a manner as would cause the Plan not to comply with applicable exchange rules or applicable corporate law.

- (c) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, (i) the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of all applicable securities rules and (ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of any applicable securities exchange where the Shares are then listed) may grant Awards to Directors who are not also employees of the Company or an Affiliate.
- (d) Indemnification. To the full extent permitted by law, (i) no member of the Board, the Committee or any person to whom the Committee delegates authority under the Plan shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award made under the Plan, and (ii) the members of the Board, the Committee and each person to whom the Committee delegates authority under the Plan shall be entitled to indemnification by the Company with regard to such actions and determinations. The provisions of this paragraph shall be in addition to such other rights of indemnification as a member of the Board, the Committee or any other person may have by virtue of such person's position with the Company.

#### **Section 4. Shares Available for Awards**

- (a) Shares Available. Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall be the number of Shares as determined by the Board from time to time. Notwithstanding the foregoing, the aggregate number of Shares that may be issued pursuant to awards of Options, including Incentive Stock Options, shall not exceed 10% of the issued and outstanding Shares at the time of the grant of such Options and the aggregate number of Shares that may be issued pursuant to awards of Incentive Stock Options shall not exceed 5% of the issued and outstanding Shares at the time of the grant of such Incentive Stock Options. The aggregate number of Shares that may be issued under all Awards under the Plan shall be reduced by Shares subject to Awards issued under the Plan in accordance with the Share counting rules described in Section 4(b) below.
- (b) Counting Shares. For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan.
  - (i) Shares Added Back to Reserve. If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company (including any Shares withheld by the Company or Shares tendered to satisfy any tax withholding obligation on Awards or Shares covered by an Award that are settled in cash), or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan.
  - (ii) Substitute Awards Relating to Acquired Entities. Shares issued under Awards granted in substitution for awards previously granted by an entity that is acquired by or merged with the Company or an Affiliate shall not be counted against the aggregate number of Shares available for Awards under the Plan.
- (c) Adjustments. In the event that any dividend (other than a regular cash dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other

rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares subject to outstanding Awards, (iii) the purchase price or exercise price with respect to any Award and (iv) the limitations contained in Section 4(d) below; *provided, however*, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number. Such adjustment shall be made by the Committee or the Board, whose determination in that respect shall be final, binding and conclusive.

(d) Additional Award Limitations. The aggregate number of Shares issuable to Related Persons pursuant to Awards granted and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Related Persons pursuant to Awards and all other security based compensation arrangements, within a one-year period, shall not exceed 10% of the total number of Shares then outstanding. The total number of Shares which may be issued or issuable to any one Related Person and the associates of the Related Person under the Plan and all other security based compensation arrangements within any one-year period shall not exceed 5% of the Shares then outstanding. So long as the Company is listed on the NEO Exchange, the aggregate number of Shares issued or issuable to persons providing investor relations activities (as defined in NEO Exchange policies) as compensation within a one-year period, shall not exceed 1% of the total number of Shares then outstanding. For the purposes of this Section, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Award. Under this Plan “security based compensation arrangements” shall mean any compensation or incentive mechanism (such as option plans, restricted share plans, share purchase plans) involving the issuance or potential issuances of securities of the Company from treasury.

## **Section 5. Eligibility**

- (a) Eligibility. Any Eligible Person shall be eligible to be designated as a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company and/or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full-time or part-time employees (which term, as used herein, includes, without limitation, officers and Directors who are also employees), and an Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Code or any successor provision.
- (b) Ceasing to be an Eligible Person. If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, but only within 90 days following the date on which it ceased to be an Eligible Person, or within 30 such days if such Participant is an investor relations person or holder of Incentive Stock Options, exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The Committee may extend such 90 or 30 day period, as applicable, subject to obtaining any approval required by the stock exchange on which the Shares then trade, if any, and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire on such date, unless extended as contemplated herein. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire immediately following the 90 or 30 day period, as applicable, unless extended as contemplated herein.

## **Section 6. Awards**

- (a) Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine:

- (i) Exercise Price. The purchase price per Share purchasable under an Option shall be determined by the Committee and shall not be less than the Fair Market Value as determined in accordance with this Plan.
- (ii) Option Term. The term of each Option shall be fixed by the Committee at the date of grant but shall not be longer than 10 years from the date of grant. Notwithstanding the foregoing, in the event that the expiry date of an Option falls within a trading blackout period imposed by the Company (a “**Blackout Period**”), and neither the Company nor the individual in possession of an Option is subject to a cease trade order in respect of the Company’s securities, then the expiry date of such Option shall be automatically extended to the 10th business day following the end of the Blackout Period. With respect to a U.S. Award Holder, the application of the Blackout Period shall be made in the Company’s sole discretion in accordance with the Code and Section 409A thereof.
- (iii) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereto may be made or deemed to have been made.
  - (A) Promissory Notes. Notwithstanding the foregoing, the Committee may not permit payment of the exercise price, either in whole or in part, with a promissory note.
  - (B) Net Exercises. The Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number of Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Shares underlying the Option being exercised on the date of exercise, over the exercise price of the Option for such Shares.
- (iv) Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options which are intended to qualify as Incentive Stock Options:
  - (A) The Committee will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the time the Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under this Plan and all other plans of the Company and its Affiliates) shall exceed \$100,000.
  - (B) All Incentive Stock Options must be granted within ten years from the earlier of the date on which this Plan was adopted by the Committee or the date this Plan was approved by the shareholders of the Company.
  - (C) Unless sooner exercised, all Incentive Stock Options shall expire and no longer be exercisable no later than 10 years after the date of grant; *provided, however*, that in the case of a grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or of its Affiliates, such Incentive Stock Option shall expire and no longer be exercisable no later than five years from the date of grant.
  - (D) The purchase price per Share for an Incentive Stock Option shall be not less than the Fair Market Value as determined in accordance with this Plan; *provided, however*, that, in the case of the grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422



of the Code) shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or of its Affiliates, the purchase price per Share purchasable under an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a Share.

- (E) Any Incentive Stock Option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the Option as an Incentive Stock Option.
- (F) Nothing under this Plan is intended to make the Company liable for any harm arising from a grant of Options where such Options do not qualify as Incentive Stock Options for any reason. The Company is not obligated to take any action in the case that any Options fail to qualify as Incentive Stock Options.

(v) Cashless Exercise.

- (A) Notwithstanding anything to the contrary, a Participant may elect to exercise an Option without payment of the aggregate exercise price of the Shares to be purchased pursuant to the exercise of the Option (a “**Cashless Exercise**”) by delivering a Cashless Exercise Notice to the Committee. Upon receipt by the Committee of a Cashless Exercise Notice from a Participant, the Company shall calculate and issue to Participant that number of Shares as is determined by application of the following formula:

$$X=[Y(A-B)]/A$$

Where:

**X** = the number of Shares to be issued to the Participant upon the Cashless Exercise

**Y** = the number of Shares underlying the Options being exercised

**A** = the Fair Market Value as at the date of the Cashless Exercise Notice, if such Fair Market Value is greater than the exercise price

**B** = the exercise price of the Options being exercised

The Company may, but is not obligated to accept, any Cashless Exercise of which it receives notice. If the Company does accept such Cashless Exercise, no fractional Shares will be issued to any Participant electing a Cashless Exercise. If the number of Shares to be issued to the Participant in the event of a Cashless Exercise would otherwise include a fraction of a Share, the Company will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to “A” in the formula set out above.

- (b) General Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.

- (ii) Limits on Transfer of Awards. Except as otherwise provided by the Committee in its discretion and subject to such additional terms and conditions as it determines, no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company

or any Affiliate. Where the Committee does permit the transfer of an Award other than a fully vested and unrestricted Share, such permitted transfer shall be for no value and in accordance with all applicable securities rules. The Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death. In the event of a Participant's death, any unexercised, options issued to such Participant shall be exercisable within a period of one year next succeeding the year in which the Participant died, unless such exercise period is extended by the Committee and approval is obtained from the stock exchange on which the Shares then trade, as applicable.

- (iii) Restrictions; Securities Exchange Listing. All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Shares or other securities to reflect such restrictions. The Company shall not be required to deliver any Shares or other securities covered by an Award unless and until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.
- (iv) Prohibition on Option Repricing. Except as provided in Section 4(c) hereof, the Committee may not, without prior approval of the Company's shareholders and applicable stock exchange approval, seek to effect any repricing of any previously granted, "underwater" Option by: (i) amending or modifying the terms of the Option to lower the exercise price; (ii) canceling the underwater Option and granting replacement Options having a lower exercise price; or (iii) cancelling or repurchasing the underwater Option for cash or other securities. An Option will be deemed to be "underwater" at any time when the Fair Market Value of the Shares covered by such Award is less than the exercise price of the Award.
- (v) Section 409A Provisions. Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a change in control or due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control event, disability or separation from service meet the definition of a change in control event, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a Specified Employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the Specified Employee's separation from service (or if earlier, upon the Specified Employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise.
- (vi) Acceleration of Vesting or Exercisability. No Award Agreement shall accelerate the exercisability of any Award or the lapse of restrictions relating to any Award in connection with a change-in-control event, unless such acceleration occurs upon the consummation of (or effective immediately prior to the consummation of, *provided that* the consummation subsequently occurs) such change-in-control event.

## **Section 7. Amendment and Termination; Corrections**

- (a) Amendments to the Plan and Awards. The Committee may from time to time amend, suspend or terminate this Plan, and the Committee may amend the terms of any previously granted Award, *provided that* no amendment to the terms of any previously granted Award may (except as expressly provided in the Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under this Plan without the written consent of the Participant or holder thereof. Any amendment to this Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange. For greater certainty and without limiting the foregoing, the Committee may amend, suspend, terminate or discontinue the Plan, and the Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders of the Company in order to:

- (i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Plan;
- (ii) amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the vesting, expiry, assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively;
- (iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange (including amendments to Awards necessary or desirable to avoid any adverse tax results under Section 409A), and no action taken to comply shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof; or
- (iv) amend any terms relating to the administration of the Plan, including the terms of any administrative guidelines or other rules related to the Plan.

Notwithstanding the foregoing and for greater certainty, prior approval of the shareholders of the Company shall be required for any amendment to the Plan or an Award that would:

- (i) require shareholder approval under the rules or regulations of securities exchange that is applicable to the Company;
  - (ii) permit repricing of Options, which is currently prohibited by Section 6(b)(iv) of the Plan;
  - (iii) permit Options to be transferable other than for normal estate settlement purposes;
  - (iv) amend this Section 7(a); or
  - (v) increase the maximum term permitted for Options as specified in Section 6(a) or extend the terms of any Options beyond their original expiry date.
- (b) Corporate Transactions. In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Shares or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement to undergo such a transaction or event), the Committee or the Board may, in its sole discretion, provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, *provided that* the consummation of the event subsequently occurs), and no action taken under this Section 7(b) shall be deemed to impair or otherwise adversely alter the rights of any holder of an Award or beneficiary thereof:
- (i) either (A) termination of the Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested

rights (and, for the avoidance of doubt, if, as of the date of the occurrence of the transaction or event described in this Section 7(b)(i)(A), the Committee or the Board determines in good faith that no amount would have been attained upon the exercise of the Award or realization of the Participant's rights, then the Award may be terminated by the Company without any payment) or (B) the replacement of the Award with other rights or property selected by the Committee or the Board, in its sole discretion;

- (ii) that the Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the share of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;
  - (iii) that, subject to Section 6(b)(vi), the Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the applicable Award Agreement; or
  - (iv) that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.
- (c) Correction of Defects, Omissions and Inconsistencies. The Committee may, without prior approval of the shareholders of the Company, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

#### **Section 8. Income Tax Withholding**

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. Without limiting the foregoing, in order to assist a Participant in paying all or a portion of the applicable taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes (subject to any applicable limitations under ASC Topic 718 to avoid adverse accounting treatment) or (b) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

#### **Section 9. U.S. Securities Laws**

Neither the Awards nor the securities which may be acquired pursuant to the exercise of the Awards have been registered under the Securities Act or under any securities law of any state of the United States of America and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act and any Shares shall be affixed with an applicable restrictive legend as set forth in the Award Agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Award Holder not being able to dispose of any Shares issued on exercise of Awards for a considerable length of time. Each U.S. Award Holder or anyone who becomes a U.S. Award Holder, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the Securities Act or the securities laws of any state of the United States will be required to complete an Award Agreement which sets out the applicable United States restrictions.

#### **Section 10. General Provisions**

- (a) No Rights to Awards. No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.
- (b) Award Agreements. No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement shall have been signed by the Participant (if requested by the Company), or until such Award Agreement is delivered and accepted through an electronic medium in accordance with procedures established by the Company. An Award Agreement need not be signed by a representative of the Company unless required by the Committee. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.
- (c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.
- (d) No Rights of Shareholders. Except with respect to Shares issued under Awards, neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable upon the exercise or payment of any Award, in whole or in part, unless and until such Shares have been issued.
- (e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.
- (f) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause, in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.
- (g) Governing Law. The internal law, and not the law of conflicts, of the Province of Ontario shall govern all questions concerning the validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award.
- (h) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.
- (i) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate

and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

- (j) Other Benefits. No compensation or benefit awarded to or realized by any Participant under the Plan shall be included for the purpose of computing such Participant's compensation or benefits under any pension, retirement, savings, profit sharing, group insurance, disability, severance, termination pay, welfare or other benefit plan of the Company, unless required by law or otherwise provided by such other plan.
- (k) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Share or whether such fractional Share or any rights thereto shall be canceled, terminated or otherwise eliminated.
- (l) Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

#### **Section 11. Clawback or Recoupment**

All Awards under this Plan shall be subject to recovery or other penalties pursuant to (i) any Company clawback policy, as may be adopted or amended from time to time, or (ii) any applicable law, rule or regulation or applicable stock exchange rule.

#### **Section 12. Effective Date of the Plan**

The Plan was adopted by the Board on July 23, 2021.

#### **Section 13. Term of the Plan**

No Award shall be granted under the Plan, and the Plan shall terminate, on the earlier of (i) the tenth anniversary of the date the Plan was last approved by the shareholders of the Company, and (ii) the date of discontinuation or termination established pursuant to Section 7(a) of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such dates, and the authority of the Committee provided for hereunder with respect to the Plan and any Awards, and the authority of the Committee to amend the Plan, shall extend beyond the termination of the Plan.

**SCHEDULE “A”  
CASHLESS EXERCISE NOTICE**

**TO:               Biomind Labs Inc. (the “Company”)**

The undersigned hereby irrevocably gives notice, pursuant to the Company’s Stock Option Plan (the “**Plan**”), of the exercise of the Options to acquire and hereby subscribes for **(cross out inapplicable item)**:

- a) all of the Shares; or
- b) \_\_\_\_\_ of the Shares;

which are the subject of the certificate attached hereto.

Pursuant to section 6(a)(v) of the Plan and the approval of the Board, the number of Shares to be issued in accordance with the instructions of the undersigned shall be as is determined by application of the following formula, after deduction of any income tax or other amounts required by law to be withheld:

$$X=[Y(A-B)]/A$$

Where:

X = the number of Shares to be issued to the Participant upon the Cashless Exercise

Y = the number of Shares underlying the Options being exercised

A = the Fair Market Value as at the date of the Cashless Exercise Notice, if such Fair Market Value (as defined in the Plan) is greater than the exercise price

B = the exercise price of the Options being exercised

No fractional Shares will be issued upon the undersigned making a Cashless Exercise. If the number of Shares to be issued to the Participant in the event of a Cashless Exercise would otherwise include a fraction of a Share, the Company will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to “A” in the formula set out above.

The undersigned directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By executing this Cashless Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Cashless Exercise Notice shall have the meanings given to them under the Plan or the attached certificate.

*[Signature page follows]*

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

**Signature of Participant**



## APPENDIX C

AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2026

**Biomind Labs Inc.**  
**Consolidated Financial Statements**  
For the years ended December 31, 2025 and 2024  
(Expressed in US Dollars)

# DAVIDSON

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Biomind Labs Inc.

### Opinion

We have audited the accompanying consolidated financial statements of Biomind Labs Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has an accumulated deficit of \$15,735,052, cash of \$36, and a working capital deficit of \$1,735,653 as at December 31, 2025. Additionally, the Company incurred a loss and comprehensive loss of \$857,686 during the year ended December 31, 2025. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

## Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

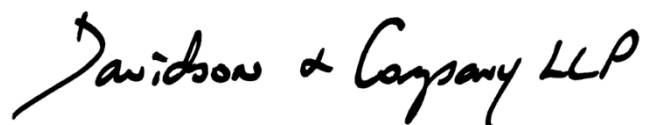
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zachary Faure.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants

Vancouver, Canada

March 31, 2026

**Biomind Labs Inc.**

## Consolidated Statements of Financial Position

(Expressed in US dollars)

As at

|                                                       | December 31,<br>2025 | December 31,<br>2024 |
|-------------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                         |                      |                      |
| Current Assets                                        |                      |                      |
| Cash                                                  | \$ 36                | \$ 147               |
| Advances                                              | -                    | 20,950               |
| <b>Total current assets</b>                           | <b>\$ 36</b>         | <b>\$ 21,097</b>     |
| Fixed assets (Note 8)                                 | -                    | 20,064               |
| <b>Total Assets</b>                                   | <b>\$ 36</b>         | <b>\$ 41,161</b>     |
| <b>Liabilities and Shareholders' Deficiency</b>       |                      |                      |
| Current Liabilities                                   |                      |                      |
| Accounts payable and accrued liabilities              | \$ 764,378           | \$ 447,117           |
| Convertible debt (Note 6)                             | 728,483              | 670,677              |
| Derivative liability (Note 6)                         | 242,828              | 223,559              |
| <b>Total Liabilities</b>                              | <b>1,735,689</b>     | <b>1,341,353</b>     |
| <b>Shareholders' Deficiency</b>                       |                      |                      |
| Share capital (Note 9)                                | \$ 11,446,853        | 11,446,853           |
| Reserves (Notes 9)                                    | 2,485,891            | 2,063,666            |
| Accumulated other comprehensive loss                  | 66,655               | 73,929               |
| Deficit                                               | (15,735,052)         | (14,884,640)         |
|                                                       | <b>(1,735,653)</b>   | <b>(1,300,192)</b>   |
| <b>Total Liabilities and Shareholders' Deficiency</b> | <b>\$ 36</b>         | <b>\$ 41,161</b>     |

Formation of the Company, General information, and Going Concern (Note 1)

Approved on March 31, 2026 on behalf of the Board:

(s) Ravi Sood

Ravi Sood, Director

(s) Alejandro Antalich

Alejandro Antalich, CEO/Director

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

**Biomind Labs Inc.**

## Consolidated Statements of Loss and Comprehensive Loss

(Expressed in US dollars)

**For the years ended December 31,**

|                                                                   | <b>2025</b>      | <b>2024</b>      |
|-------------------------------------------------------------------|------------------|------------------|
| <b>Expenses</b>                                                   |                  |                  |
| Depreciation (Note 8)                                             | \$ 2,230         | \$ 8,920         |
| Foreign exchange (gain)/loss                                      | (16,386)         | 21,276           |
| General and administrative                                        | 91,130           | 91,361           |
| Interest expense (Note 6, 7)                                      | 68,710           | 32,645           |
| Management fees (Note 7)                                          | 195,830          | 207,962          |
| Professional fees                                                 | 135,183          | 80,145           |
| Research and development                                          | -                | 16,061           |
| Share-based payments (Note 7, 9)                                  | 422,225          | -                |
|                                                                   | \$ (898,922)     | \$ (458,370)     |
| Change in fair value of derivative liability (Note 6)             | (23,531)         | 53,908           |
| Gain on sale of equipment (Note 8)                                | 72,041           | -                |
| Gain on settlement of debt (Note 9)                               | -                | 4,526            |
| Recovery of trade payables (Note 2)                               | -                | 139,457          |
| <b>Loss</b>                                                       | <b>(850,412)</b> | <b>(260,479)</b> |
| <b>Other comprehensive income (loss)</b>                          |                  |                  |
| Currency translation adjustment                                   | (7,274)          | 48,001           |
| <b>Loss and comprehensive loss for the year</b>                   | <b>(857,686)</b> | <b>(212,478)</b> |
| Weighted average number of shares outstanding – Basic and Diluted | 77,571,773       | 76,146,493       |
| <b>Basic and diluted loss per share</b>                           | <b>\$ (0.01)</b> | <b>\$ (0.00)</b> |

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

**Biomind Labs Inc.**

## Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in US dollars)

For the years ended December 31, 2025, and 2024

|                                                         | Number of Common<br>Shares | Share capital        | Reserves            | Accumulated Other<br>Comprehensive<br>Income | Deficit                | Shareholders'<br>Deficiency |
|---------------------------------------------------------|----------------------------|----------------------|---------------------|----------------------------------------------|------------------------|-----------------------------|
| <b>Balance, December 31, 2023</b>                       | <b>74,761,853</b>          | <b>\$ 11,102,447</b> | <b>\$ 2,063,666</b> | <b>\$ 25,928</b>                             | <b>\$ (14,624,161)</b> | <b>\$ (1,432,120)</b>       |
| Common shares issued for debt<br>settlement (Note 6, 9) | 2,809,920                  | 344,406              | -                   | -                                            | -                      | 344,406                     |
| Other comprehensive income                              | -                          | -                    | -                   | 48,001                                       | -                      | 48,001                      |
| Loss for the year                                       | -                          | -                    | -                   | -                                            | (260,479)              | (260,479)                   |
| <b>Balance, December 31, 2024</b>                       | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,063,666</b> | <b>\$ 73,929</b>                             | <b>\$ (14,884,640)</b> | <b>\$ (1,300,192)</b>       |
| Other comprehensive loss                                | -                          | -                    | -                   | (7,274)                                      | -                      | (7,274)                     |
| Share-based payments (Note 7, 9)                        | -                          | -                    | 422,225             | -                                            | -                      | 422,225                     |
| Loss for the year                                       | -                          | -                    | -                   | -                                            | (850,412)              | (850,412)                   |
| <b>Balance, December 31, 2025</b>                       | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,485,891</b> | <b>\$ 66,655</b>                             | <b>\$ (15,735,052)</b> | <b>\$ (1,735,653)</b>       |

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



# Biomind Labs Inc.

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

|                                                                                               | For the years ended December 31, |                     |
|-----------------------------------------------------------------------------------------------|----------------------------------|---------------------|
|                                                                                               | 2025                             | 2024                |
| <b>Cash flows from operating activities</b>                                                   |                                  |                     |
| Loss for the year                                                                             | \$ (850,412)                     | \$ (260,479)        |
| Items not involving cash:                                                                     |                                  |                     |
| Accrued interest on financial liabilities                                                     | 68,710                           | 32,645              |
| Change in fair value of derivative (Note 6)                                                   | 23,531                           | (53,908)            |
| Depreciation                                                                                  | 2,230                            | 8,920               |
| Foreign exchange gain/loss                                                                    | 16,386                           | 15,196              |
| Gain on settlement of debt (Note 9)                                                           | -                                | (4,526)             |
| Gain on sale of equipment (Note 8)                                                            | (72,041)                         | -                   |
| Recovery of trade payables (Note 2)                                                           | -                                | (139,457)           |
| Share-based payments (Note 7, 9)                                                              | 422,225                          | -                   |
| Change in non-cash operating working capital:                                                 |                                  |                     |
| Advances                                                                                      | 20,950                           | -                   |
| Accounts payable and accrued liabilities                                                      | 300,875                          | 47,184              |
| <b>Net cash used in operating activities</b>                                                  | <b>\$ (67,546)</b>               | <b>\$ (354,425)</b> |
| <b>Cash flows from financing activities:</b>                                                  |                                  |                     |
| Proceeds from convertible debt (Note 6)                                                       | 86,340                           | 307,359             |
| Share issuance cost (Note 6)                                                                  | -                                | (5,110)             |
| <b>Net cash used in financing activities</b>                                                  | <b>\$ 86,340</b>                 | <b>\$ 302,249</b>   |
| <b>Effect of foreign exchange on cash</b>                                                     | <b>(18,905)</b>                  | <b>28,058</b>       |
| <b>Change in cash for the year</b>                                                            | <b>(111)</b>                     | <b>(24,118)</b>     |
| <b>Cash, beginning of the year</b>                                                            | <b>147</b>                       | <b>24,265</b>       |
| <b>Cash, end of the year</b>                                                                  | <b>\$ 36</b>                     | <b>\$ 147</b>       |
| <b>Non-cash financing activities:</b>                                                         |                                  |                     |
| Common shares issued for settlement of accounts payable (Note 9)                              | \$ -                             | \$ 17,325           |
| Common shares issued on conversion of credit facility (Note 6)                                | -                                | 332,191             |
| Settlement of convertible debt and derivative liability in exchange for fixed assets (Note 6) | 89,875                           | -                   |

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

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **FORMATION OF THE COMPANY, GENERAL INFORMATION AND GOING CONCERN**

Biomind Labs Inc. ("Biomind" or the "Company") was incorporated under the Business Corporations Act (Alberta) on March 29, 2005, and on July 19, 2021, the Company continued into the Province of Ontario under the Business Corporations Act (Ontario). The Company's head office is at 515 – 701 W. Georgia Street, Vancouver, British Columbia V7Y 1C6. The registered office of the Company is located at 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9. The common shares of the Company are traded on the Cboe Canada Inc. ("Cboe") under the trading symbol "BMND".

The Company is primarily engaged as a biotech platform with a special focus on scientific research, clinical trials and innovation, specifically in the area of developing novel drug therapies for certain neuropsychiatric and neurodegenerative diseases. The Company has insufficient working capital to proceed further with clinical trials for its drug candidates and therefore is currently focused on maintaining the intellectual property it has generated through its previous research and development programs.

As at December 31, 2025 the Company has an accumulated deficit of \$15,735,052, cash of \$36, and a working capital deficit of \$1,735,653. Additionally, the Company incurred a loss and comprehensive loss of \$857,686 during the year ended December 31, 2025. 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. These consolidated financial 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 these consolidated financial statements. Such adjustments could be material.

### **1. BASIS OF PREPARATION**

#### **Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. The material accounting policy information, as disclosed, has been applied consistently to all periods presented in these consolidated financial statements. These consolidated financial statements were approved by the Board of Directors for issue on March 31, 2026.

## **Biomind Labs Inc.**

### **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

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#### **2. BASIS OF PREPARATION (continued)**

##### **Statement of compliance (continued)**

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

##### **Basis of measurement**

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

##### **Principles of consolidation**

These consolidated financial statements include accounts of the Company and the following subsidiaries:

| Name of Subsidiary                       | Country of Incorporation | Percentage Ownership |
|------------------------------------------|--------------------------|----------------------|
| Liverdome Development Inc. ("Liverdome") | British Virgin Islands   | 100%                 |
| Mindcore Labs Limited ("Mindcore")       | British Virgin Islands   | 100%                 |
| Biomind Labs Pesquisas Cientifcas Ltda.  | Brazil                   | 100%                 |
| Biomind Research Corp.                   | British Virgin Islands   | 100%                 |

Biomind Labs UK Limited (formerly a wholly owned subsidiary of the Company) was dissolved on July 23, 2024 on the basis that it was inactive and not required for the Company's operations going forward. In connection with the dissolution of Biomind Labs UK Limited, the Company recognized a recovery of trade payables of \$139,457 in 2024. Under UK law, creditors of the company have the ability to have the entity re-established in order to file a lawsuit to try and recover the funds.

The consolidated financial statements include the financial statements of the Company, and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### **(a) Critical accounting estimates, judgements and assumptions**

In preparing these consolidated financial 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.

The preparation of the consolidated financial statements requires that the Company's management make judgments 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. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

##### **(i) Share-based compensation**

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.

##### **(ii) Going concern**

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding availability for its operations and working capital requirements.

##### **(iii) Deferred income tax**

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(iii) Deferred income tax (continued)**

period in which such determination is made. Deferred tax assets are recognized when it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

#### **(iv) Fair value of derivative liability**

The convertible debt (Note 6) is considered to contain a derivative instrument due to the conversion option held by the lender, and the value of the debt being in US dollars as compared to the Canadian functional currency of the Company. Estimating the fair value of the derivative requires judgement from management in determining the appropriate valuation method and the inputs used in the model. Changes in input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

### **(b) Foreign currency translation**

#### **(i) Functional and presentation currency**

The Company's functional currency is the Canadian Dollar. The table below summarizes the functional currency of each subsidiary.

| <b>Subsidiaries</b>                               | <b>Functional Currency</b> | <b>Equity Interests</b> |
|---------------------------------------------------|----------------------------|-------------------------|
| Livermore Developments Inc.                       | United States dollar       | 100%                    |
| Mindcore Labs Limited                             | United States dollar       | 100%                    |
| Biomind Labs Pesquisas Cientificas Ltda. (Brazil) | United States dollar       | 100%                    |
| Biomind Research Corp.                            | United States dollar       | 100%                    |

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. The non-monetary items are measured at historical cost in the functional currency at the time of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive loss.

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(c) Financial assets**

IFRS 9 includes a single model that has only two classification categories: amortized cost and fair value. To qualify for amortized cost accounting, the instrument must meet two criteria as further described below. All other instruments are mandatorily measured at fair value. IFRS 9 requires all equity investments to be measured at fair value. However, an entity may make an irrevocable election at initial recognition to present all fair value changes for non-trading equity investments in other comprehensive income.

Accordingly, the Company classified its financial assets in the following categories: those to be measured subsequently at fair value and those to be measured at amortized cost. This classification is guided by whether the financial asset meets the business model and contractual cash flow test.

##### **(i) Financial assets at fair value through profit or loss**

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Financial assets are classified as current if realization within 12 months is expected. Otherwise, they are classified as non-current.

##### **(ii) Financial assets at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income are investments in non-trading equity investments, that upon initial recognition the Company elected to classify in this category.

##### **(iii) Financial assets at amortized cost**

Financial assets measured at amortized cost are debt investments that meet the following criteria: the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position.

##### **(iv) Recognition and measurement**

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Company commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(c) Financial assets (continued)**

##### **(iv) Recognition and measurement (continued)**

A gain or loss on a debt instrument that is subsequently measured at fair value and is not part of a hedging relationship is recognized in profit or loss.

The Company is required to reclassify all affected debt investments when and only when its business model for managing those assets changes. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset carried at amortized cost is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

##### **(v) Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### **(d) Financial liabilities**

##### **(i) Recognition and initial measurement**

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

##### **(ii) Classification and subsequent measurement**

Subsequent to initial recognition, all financial liabilities are measured either at amortized cost using the effective interest rate method or at fair value through profit and loss, as applicable. Interest, gains and losses relating to financial liabilities are recognized in profit or loss. As at December 31, 2025, the Company’s financial liabilities measured at amortized cost comprise accounts payable and accrued liabilities. The Company’s convertible debt is designated and measured at fair value through profit or loss and is presented as such in the consolidated statement of financial position.

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(d) Financial liabilities (continued)**

##### **(iii) Derecognition of financial liabilities**

The Company de-recognizes a financial liability only when its contractual obligations are discharged, cancelled or expired.

#### **(e) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **(f) Property and equipment**

Property and equipment are recorded at cost, less accumulated depreciation and impairment losses, if any. Historical cost comprises the purchase price and any costs directly attributable to the acquisition.

Where individual components of an item of property and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. These costs may include the cost of replacing parts that are eligible for capitalization when the costs of replacing the parts are incurred. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is calculated using the straight-line method beginning the next month after acquisition, to allocate their cost to their residual values over their estimated useful lives, as follows:

|           |         |
|-----------|---------|
| Equipment | 5 years |
|-----------|---------|

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated statements of loss and comprehensive loss.



# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(g) Related party transactions**

A party is related to an entity if the party directly or indirectly controls, is controlled by or is under common control with the entity; or if it has an interest in the entity that gives it significant influence over the entity; or if it has joint control over the entity or is an associate or joint venture of the entity. In addition, members and dependents of the key management personnel or directors of the Company are also considered related parties.

#### **(h) Provisions**

Provisions are recognized when (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made. The Company bases its accruals on up-to-date developments, estimates of the outcomes of the matters and legal counsel experience in contesting, litigating and settling matters. As the scope of the liabilities becomes better defined or more information is available, the Company may be required to change its estimates of future costs, which could have a material effect on its results of operations and financial condition or liquidity.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

#### **(i) Current and deferred income tax**

The Company is incorporated under the Ontario Business Corporations Act of Canada. Its subsidiaries are incorporated under the International Business Companies Act of the British Virgin Islands and accordingly, are exempted from payment of BVI's income taxes. Accordingly, the Company's tax expense comprises the charge for tax currently payable or deferred attributable to the Company's subsidiary in Brazil, and Mindcore, which is registered to do business in Uruguay. Tax is recognized in the statements of loss and comprehensive loss, except to the extent that it relates to items recognized directly in equity, in which case, it is also recognized in equity. In addition, dividend remittances from Mindcore in Uruguay are subject to a 7% withholding tax levied by Uruguayan tax authorities.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statements of financial position where the Company's subsidiaries currently operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(i) Current and deferred income tax (continued)**

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period that include the date of enactment or substantive enactment. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

#### **(j) Equity**

Common shares are classified as equity. Costs, such as commissions, professional fees and regulatory fees directly attributable to common share issuances, are deducted from the proceeds of the offering.

#### **(k) Research and development costs**

Research and development costs are recorded as expenses as incurred. Development costs are only capitalized when the related products meet the recognition criteria of an internally generated intangible asset, which mainly require the technical feasibility of completing the intangible asset, the probability of future economic benefits, the reliable measurement of costs and the ability and intention of the Company to use or sell the intangible asset. None of the expenditures meet the criteria for capitalization.

#### **(l) Loss per share**

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of the parent by the weighted average number of common shares outstanding during the year. Diluted net loss per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding, and when dilutive, adjusted for the effect of all potentially dilutive shares, including share options, on an as-if converted basis. For all periods presented, there were no differences in the weighted-average number of common shares used for basic and diluted net loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

#### **(m) Segmented reporting**

According to IFRS 8, operating segments are identified based on the 'management approach'. This approach stipulates external segment reporting based on the Company's internal organizational and management structure and on internal financial reporting to the chief operating decision maker. The Chief Executive Officer of the Company is responsible for measuring and steering the business success of the segments and is considered the chief operating decision maker within the meaning of IFRS 8. The Company currently operates in one reportable segment, which is the research and development of its biotech platform (Note 1). As at December 31, 2025, the Company has no non-current assets (as at December 31, 2024, the

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **(m) Segmented reporting (continued)**

Company's non-current assets were all situated within Mindcore, which is incorporated in the British Virgin Islands and operates in Uruguay).

#### **(n) Share-based compensation**

The Company has a stock option plan in place. The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Fair value is measured using the Black-Scholes option pricing model. Upon exercise of stock options any historical fair value in the share-based payment reserve is allocated to share capital. Upon cancellation or forfeitures of stock options any historical fair value in the share-based payment reserve is adjusted to the consolidated statement of loss and comprehensive loss. Upon expiry of stock options, any historical fair value in the share-based payment reserve is allocated to deficit.

#### **(o) Recent accounting pronouncements**

IFRS 18 Presentation and disclosure in financial statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which introduces:

- i. new requirements on presentation within the statement of profit or loss;
- ii. disclosure standards regarding management defined performance measures; and
- iii. principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027 but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

### **4. CAPITAL MANAGEMENT**

The Company defines capital as consisting of shareholders' equity (deficiency) (comprised of issued share capital, share-based payment reserve, and deficit). The Company's objectives when managing capital are to support the Company's main activities of developing and commercializing its biotech platform, and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **4. CAPITAL MANAGEMENT (continued)**

business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at December 31, 2025, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the year ended December 31, 2025.

### **5. FINANCIAL INSTRUMENTS**

#### **Risk management principles and processes**

The Company's activities are exposed to a variety of financial risks in the normal course of the Company's business. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company's capital costs by using suitable means of financing and to manage and control the Company's financial risks effectively. The Company may use financial instruments to hedge certain risk exposures when deemed appropriate based on its internal management risk policies.

The Company's approach to the identification, assessment and mitigation of risk is carried out by the Board of Directors, which focuses on timely and appropriate management of risk. The Board of Directors has overall accountability for the identification and management of risk across the Company. The Board of Directors maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to management and those retained by the Board of Directors. The Board of Directors approves these delegated authorities and reviews them annually.

The principal financial risks arising from financial instruments are currency risk, liquidity risk, credit risk, interest rate risk, and price rate risk.

#### **(a) Currency risk**

The Company's consolidated statements of cash flows, loss and comprehensive loss and financial position are presented in US Dollars and may be affected by fluctuations in exchange rates. Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. As at December 31, 2025, the Company holds assets and liabilities in US Dollars. At December 31, 2025, sensitivity to a plus or minus 5% change in the foreign exchange rate of the Canadian dollar compared to the US dollar would affect loss and comprehensive loss for the year ended December 31, 2025 by \$76,979 with all other variables held constant (2024 - \$95,917).

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **5. FINANCIAL INSTRUMENTS (continued)**

#### **Risk management principles and processes (continued)**

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. As at December 31, 2025, the Company has liabilities of \$1,735,689 (December 31, 2024: \$1,341,353) due within twelve months and has \$36 (December 31, 2024: \$147) in cash to meet its current obligations. As such, the Company is exposed to liquidity risk.

##### **(c) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management's assessment of the Company's exposure to credit risk is low.

##### **(d) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

##### **(e) Price rate risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

#### **Fair Value Measurements**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to fair value measurement and unobservable (supported by little or no market activity).

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **5. FINANCIAL INSTRUMENTS (continued)**

#### **Fair value measurements (continued)**

As at December 31, 2025, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, convertible debt, and derivative liability. Cash is classified as amortized cost. Accounts payable and accrued liabilities are also classified as amortized cost.

The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debt and derivative liability are recorded at fair value using Level 3.

### **6. CONVERTIBLE DEBT**

On November 14, 2022, Biomind entered into a financing agreement (the "Financing Agreement") with Union Group Ventures Limited ("UGV"), a subsidiary of a significant shareholder of the Company, pursuant to which UGV 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%. The expiry date of the Financing Agreement was subsequently extended to November 14, 2026. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

Disbursements shall be repaid by the Company on the date which is 12 months after the date following the respective disbursement, together with interest thereon.

Upon at least 10 business days' advance notice, UGV may elect that the Company repay any outstanding disbursement and its respective interest, or a portion thereof, by the issuance of shares of the Company, in lieu of repayment in cash. Subject to applicable regulatory requirements, including the approval of the Cboe, the number of shares of the Company to be issued shall be calculated as the 15-day volume weighted average trading price ("VWAP") of the shares on the Cboe, prior to the applicable repayment date, less a 20% discount (the "Maximum Discount").

The Company determined that the Credit Facility contained an embedded derivative liability, and that the conversion feature does not qualify as equity as it does not satisfy the "fixed for fixed" requirement as the potential number of common shares to be issued is contingent on the exchange rate, and the discounted market price of the Company's common shares. Consequently, the conversion feature is classified as a derivative liability and measured at fair value.

On initial recognition, the derivative liability was calculated based on the Maximum Discount UGV would receive on conversion of the liability to shares of the Company. Under the Company's valuation methodology, the derivative continues to be revalued at each period end, and includes accrued interest that could be convertible into shares of the Company, based on the Maximum Discount.

## **Biomind Labs Inc.**

### **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

#### **6. CONVERTIBLE DEBT (continued)**

In the event that the conversion discount that UGV could receive based on the Maximum Discount results in a conversion price per share that is in excess of the policies of the Cboe relating to maximum allowable discounts to the market price of the Company's shares at the time of conversion, the economic benefit to UGV would be less than the Maximum Discount or \$nil. Further, in the event that the market price of the Company's shares at the date of their issuance (upon conversion of any or all of the Credit Facility) is less than the price resulting from the Maximum Discount, the economic benefit to UGV would also be \$nil. Under such circumstances, the derivative component of the portion of the liability being settled for shares of the Company would be revalued based on the discount that was given, and if no discount was given, it would be revalued to \$nil.

##### Liability Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2023</b> | <b>\$</b> | <b>739,325</b> |
| Advances                          |           | 230,519        |
| Conversion to shares              |           | (332,191)      |
| Accretion and interest            |           | 32,645         |
| Foreign exchange                  |           | 15,196         |
| Translation adjustment            |           | (14,817)       |
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>670,677</b> |
| Advances                          |           | 64,755         |
| Settlement for sale of assets     |           | (66,936)       |
| Accretion and interest            |           | 68,710         |
| Translation adjustment            |           | (8,723)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>728,483</b> |

##### Derivative Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2023</b> | <b>\$</b> | <b>205,753</b> |
| Additions – principle             |           | 76,840         |
| Change in fair value              |           | (53,908)       |
| Translation adjustment            |           | (5,126)        |
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>223,559</b> |
| Additions – principle             |           | 21,585         |
| Settlement for sale of assets     |           | (22,939)       |
| Change in fair value              |           | 23,531         |
| Translation adjustment            |           | (2,908)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>242,828</b> |

During the year ended December 31, 2025, the Company withdrew a total of \$86,340 (2024: \$307,359) from the Credit Facility. The conversion feature of the principal withdrawn during the year was determined, based on a market approach, to have a fair value of \$21,585 (2024: \$76,840) on initial recognition which was

# **Biomind Labs Inc.**

## **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))*

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### **6. CONVERTIBLE DEBT (continued)**

recorded as a derivative liability with the remaining balance allocated to the debt and amortized over the term.

On July 2, 2024, the Company issued 2,769,572 common shares of the Company to UGV, upon the conversion of \$332,191 (CAD\$448,671) in principal and accrued interest, at a price of \$0.12 (CAD\$0.162) per share. At the time of conversion, the derivative associated with the portion of the debt that was converted was remeasured. The amount of debt settled was provided no discount (the closing price of the Company's shares on June 14, 2024, the date of notice of conversion, was \$0.10 (CAD\$0.135), and therefore the derivative associated with that debt had a \$nil value. The remaining conversion feature continued to be measured at the 20% discount. The Company incurred \$5,110 in share issuance costs associated with the share issuance.

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, UGV, and Synbio Powerlabs Oy whereby the Company transferred equipment with a net book value of \$17,834 to Synbio Powerlabs Oy in exchange for settlement of \$89,875 in the principal under the Credit Facility. The Company recognized a gain of \$72,041 on the sale of the equipment (Note 7).

During the year ended December 31, 2025, the Company recognized an interest expense on the debt of \$68,710 (2024: \$32,645) and a change in fair value of the derivative of \$(23,531) (2024: \$53,908).

### **7. RELATED PARTY TRANSACTIONS AND BALANCES**

#### **Transaction with key management personnel and directors**

During the year ended December 31, 2025, key management personnel are defined as individuals having authority and responsibility for planning, directing and controlling the activities of the Company. Such key management personnel comprise of the Chief Executive Officer and Chief Financial Officer of the Company, in addition to its board of directors.

#### **Transaction with controlling shareholder**

During the year ended December 31, 2025, the Company borrowed \$86,340 (2024: \$307,359) from UGV pursuant to the Credit Facility, and settled \$89,875 (2024: \$nil) of the Credit Facility through the debt assignment and asset purchase agreement (Note 6). Union is a significant shareholder in both the Company and Synbio Powerlabs Oy. Further, Synbio Powerlabs Oy is related to the Company, through common management (CEO of the Company (Alejandro Antalich is the Chairman of Synbio Powerlabs Oy)).

During the year ended December 31, 2025, the Company issued nil common shares of the Company to UGV upon the conversion of \$nil (2024: issued 2,769,572 common shares of the Company to UGV upon the conversion of \$332,191 (CAD\$448,671)) of the Credit Facility (Note 6).



## Biomind Labs Inc.

### Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

#### 7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management is included in the consolidated statements of loss and comprehensive loss as follows:

| Type of Service          | Nature of Relationship                              | Year ended December 31, |            |
|--------------------------|-----------------------------------------------------|-------------------------|------------|
|                          |                                                     | 2025                    | 2024       |
| Management fees          | Alejandro Antalich (CEO)                            | \$ 144,132              | \$ 145,089 |
| Management fees          | Oscar Leon (CFO)                                    | -                       | 15,028     |
| Director fees            | Ravi Sood, Ben Illigens, Scott Ackerman (Directors) | 51,698                  | 47,845     |
| Share-based compensation | Officers                                            | 13,620                  | -          |
|                          |                                                     | \$ 209,450              | \$ 207,962 |

During the year ended December 31, 2025, the Company granted an aggregate of 6,200,000 stock options to officers (Alejandro Antalich and Scott Ackerman: 100,000 each), and consultants (Union Group International Holdings Limited (“UGIH”) and Arvesa Corp. (“Arvesa”): 3,500,000 and 2,500,000, respectively) of the Company. UGIH and Arvesa are related to UGV, a significant shareholder of the Company. Aggregate share-based compensation expense relating to the options granted to UGIH and Arvesa amounted to \$408,605 (2024: \$nil).

The aggregate amount owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities at December 31, 2025 is \$374,272 (December 31, 2024: \$176,803). The amounts due to these related parties are non-interest bearing and have no fixed terms of repayment. The following table represents the amount due to directors and officers of the Company included in accounts payable and accrued liabilities:

| Type of Service                        | Nature of Relationship | December 31, |            |
|----------------------------------------|------------------------|--------------|------------|
|                                        |                        | 2025         | 2024       |
| Management fees                        | Alejandro Antalich     | \$ 200,151   | \$ 56,251  |
| Management fees                        | Oscar Leon             | 4,997        | 4,996      |
| Director fees                          | Ravi Sood              | 90,664       | 66,656     |
| Director fees                          | Ben Illigens           | 72,903       | 48,900     |
| Director fees                          | Scott Ackerman         | 3,998        | -          |
| Expenses paid on behalf of the Company | Scott Ackerman         | 1,559        | -          |
|                                        |                        | \$ 374,272   | \$ 176,803 |

During the year ended December 31, 2024, the Company’s subsidiary, Mindcore, completed research and development work relating to fungal biotechnology and lab-scale bioprocessing for mycoproteins for consideration of \$12,300, for Eternal Bioworks Corp., a company which Alejandro Antalich is the chairman of (December 31, 2025: \$nil). As the work was completed on a one time basis, these fees were recorded as a recovery of research and development expenses on the statement of loss and comprehensive loss.

There were no other related party transactions during the years ended December 31, 2025 or 2024.

## **Biomind Labs Inc.**

### **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

#### **8. FIXED ASSETS**

##### **a) Fixed Assets**

|                                   |           | <b>Equipment</b> |
|-----------------------------------|-----------|------------------|
| <b>Cost</b>                       |           |                  |
| <b>December 31, 2023 and 2024</b> | <b>\$</b> | <b>44,591</b>    |
| Sale of equipment                 |           | (44,591)         |
| <b>December 31, 2025</b>          |           | <b>-</b>         |
| <b>Accumulated depreciation</b>   |           |                  |
| <b>December 31, 2023</b>          | <b>\$</b> | <b>15,607</b>    |
| Depreciation                      |           | 8,920            |
| <b>December 31, 2024</b>          | <b>\$</b> | <b>24,527</b>    |
| Depreciation                      |           | 2,230            |
| Sale of equipment                 |           | (26,757)         |
| <b>December 31, 2025</b>          |           | <b>26,757</b>    |
| <b>Carrying amounts</b>           |           |                  |
| December 31, 2023                 | \$        | 28,984           |
| December 31, 2024                 | \$        | 20,064           |
| <b>December 31, 2025</b>          | <b>\$</b> | <b>-</b>         |

On March 31, 2025, the Company settled \$89,875 of the principal amount of the Credit Facility pursuant to a debt settlement and asset purchase agreement. The Company recognized a gain of \$72,041 on the sale of the lab equipment (Notes 6, 7).

#### **9. SHAREHOLDERS' EQUITY**

##### **a) Authorized**

The Company is authorized to issue an unlimited number of common shares.

##### **b) Issued and Outstanding**

On July 2, 2024, the Company issued 2,769,572 common shares pursuant to the conversion of \$332,191 (CAD\$448,671) of the Credit Facility, at a price of \$0.12 (CAD\$0.162) per share.

## **Biomind Labs Inc.**

### **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

#### **9. SHAREHOLDERS' EQUITY (continued)**

##### **b) Issued and Outstanding (continued)**

On November 27, 2024, the Company issued 40,348 common shares with a fair value of \$17,325 in settlement of \$21,851 in outstanding trade payables. The Company recognized a gain on debt settlement of \$4,526.

There were no common shares issued during the year ended December 31, 2025. As at December 31, 2025, there were 77,571,773 common shares issued and outstanding (December 31, 2024: 77,571,773 common shares issued and outstanding).

##### **c) Stock Options**

The Company has a 10% rolling stock option plan (the "Plan"), which was approved by shareholders of the Company on May 14, 2021, and re-approved on February 4, 2026. The Plan authorizes the board of directors, or a committee thereof, from time to time and at their discretion, to grant officers, directors, employees and consultants' options exercisable for common shares of the Company. The purpose of the Plan is to recognize the contributions made by the Plan's participants and to create an incentive for their continuing assistance. The aggregate number of common shares that may be issued pursuant to options and awards of incentive share options under the Plan may not exceed 10% of the number of common shares then issued and outstanding. Options granted can be exercised for a maximum of 10 years and vest as determined by the board of directors. The exercise price of each option is determined by the board of directors on the basis of the closing price of the common shares on the trading day prior to the grant, or the five-day volume weighted average trading price.

A summary of the Company's stock option activity is as follows:

|                                   | <b>Number of<br/>Options</b> | <b>Weighted Average Exercise Price<br/>(CAD)</b> |
|-----------------------------------|------------------------------|--------------------------------------------------|
| <b>Balance, December 31, 2023</b> | <b>4,370,000</b>             | <b>\$1.14</b>                                    |
| Expired unexercised               | (4,370,000)                  | \$1.14                                           |
| <b>Balance, December 31, 2024</b> | <b>-</b>                     | <b>\$-</b>                                       |
| Granted                           | 6,200,000                    | \$0.35                                           |
| <b>Balance, December 31, 2025</b> | <b>6,200,000</b>             | <b>\$0.35</b>                                    |

As at December 31, 2025, stock options outstanding and exercisable are as follows:

| Grant Date       | Number of<br>Options<br>Outstanding | Options<br>exercisable | Exercise<br>Price<br>(CAD) | Expiry Date      | Remaining<br>Contractual Life<br>(Years) |
|------------------|-------------------------------------|------------------------|----------------------------|------------------|------------------------------------------|
| December 3, 2025 | 6,200,000                           | 1,550,000              | \$0.35                     | December 3, 2030 | 4.93                                     |
| <b>Total</b>     | <b>6,200,000</b>                    | <b>1,550,000</b>       | <b>\$0.35</b>              |                  | <b>4.93</b>                              |

## **Biomind Labs Inc.**

### **Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

(Expressed in US dollars (\$))

#### **9. SHAREHOLDERS' EQUITY (continued)**

##### **c) Stock Options (continued)**

On December 3, 2025, the Company granted an aggregate of 6,200,000 stock options to officers, and consultants to the Company. The options have an exercise price of CAD\$0.35 per share, vest every six months over a period of two years, with the first vest on the date of grant, and expire on December 3, 2030.

During the year ended December 31, 2025, the Company recognized share-based payments of \$422,225 (2024 - \$nil) related to stock options granted.

The fair value of stock options at date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

|                                      | <b>December 31, 2025</b> |
|--------------------------------------|--------------------------|
| Weighted average share price (CAD\$) | \$0.35                   |
| Risk-free interest rate              | 2.80%                    |
| Expected life of option              | 5.00 years               |
| Expected annualized volatility       | 125%                     |
| Expected dividend rate               | Nil                      |

#### **10. TAXATION**

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2024 – 27%) to the effective tax rate is as follows:

The following table reconciles the amount of income tax recoverable on application of the combined Canadian federal and provincial income tax rates:

|                                                                                                   | <b>2025</b>        | <b>2024</b>  |
|---------------------------------------------------------------------------------------------------|--------------------|--------------|
| Loss before recovery of income taxes                                                              | <b>\$(850,412)</b> | \$ (260,479) |
| Expected income tax recovery at statutory rates                                                   | <b>(229,611)</b>   | (70,329)     |
| Non-deductible items                                                                              | <b>88,942</b>      | (26,425)     |
| Change in statutory, foreign tax, foreign exchange rates and other                                | <b>(1,482)</b>     | (14,484)     |
| Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses | <b>(1,053)</b>     | -            |
| Change in unrecognized deductible temporary differences                                           | <b>143,204</b>     | 111,238      |
| Total income tax expense (recovery)                                                               | <b>\$ -</b>        | \$ -         |

**Biomind Labs Inc.****Notes to the Consolidated Financial Statements**

For the years ended December 31, 2025 and 2024

*(Expressed in US dollars (\$))***10. TAXATION (continued)**

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

|                                   | 2025               | 2024               |
|-----------------------------------|--------------------|--------------------|
| Deferred tax assets (liabilities) |                    |                    |
| Non-capital losses                | \$ 1,627,705       | \$ 1,469,486       |
| Debt with accretion               | (2,971)            | -                  |
| Share issuance costs              | 6,112              | 18,157             |
|                                   | <b>1,630,846</b>   | <b>1,487,643</b>   |
| Unrecognized deferred tax assets  | <b>(1,630,846)</b> | <b>(1,487,643)</b> |
| Net deferred tax assets           | \$ -               | \$ -               |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

|             | Canada              | Brazil            | Uruguay             |
|-------------|---------------------|-------------------|---------------------|
| 2026 – 2028 | \$ -                | \$ -              | \$ 4,610,191        |
| 2041 – 2045 | 1,587,961           | -                 | -                   |
| Indefinite  | -                   | 136,494           | -                   |
|             | <b>\$ 1,587,961</b> | <b>\$ 136,494</b> | <b>\$ 4,610,191</b> |

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## APPENDIX D

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2025



The next generation of pharma.

**BIOMIND LABS INC.**

**Management's Discussion and Analysis**

For the year ended December 31, 2025

Dated: **March 31, 2026**

## **Management's Responsibility For Financial Reporting**

This MD&A has been prepared by management of Biomind and should be read in conjunction with Biomind's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2025 and the notes thereto (the "**Financial Statements**"), which may be viewed under the SEDAR+ profile of Biomind at [www.sedarplus.ca](http://www.sedarplus.ca). The Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Financial Statements and this MD&A have been approved by the Board of Directors of the Company and is prepared as at March 31, 2026.

All dollar amounts referred to in this MD&A are expressed in United States ("U.S.") dollars, which is the Company's 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, 2025 (the "Annual Information Form"), which may be viewed under the SEDAR+ profile of Biomind at [www.sedarplus.ca](http://www.sedarplus.ca), for risks that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein.*

*The Company has negative working capital, and is currently subject to a review of the Cboe's continued listing requirements. Achievement of the Company's business objectives and milestones is dependent, among other things, upon the Company's ability to secure sufficient working capital to carry out its business activities. 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<sup>1</sup>, 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<sup>2</sup>. Biomind's focus is to guarantee patients access to affordable and modern-day psychedelic treatments.

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<sup>1</sup> 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.

<sup>2</sup> 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.

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, and on July 19, 2021, the Company continued into the Province of Ontario under the Business Corporations Act (Ontario). The Company’s head office is located at 515 – 701 W. Georgia Street, P.O. Box 10068 Pacific Centre, Vancouver, British Columbia V7Y 1C6 and its registered office is 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9.

The common shares in the capital of the Company commenced trading on the Cboe Canada Inc. (the “Cboe”) on July 28, 2021 under the symbol “BMND”. The Company’s shares were cease traded on April 8, 2024 for failure to file the financial statements for the year ended December 31, 2023 by the required filing deadline. The Company subsequently filed the required financial statements and trading in the Company’s shares resumed on June 4, 2024. The Company’s shares were cease traded on April 4, 2025 for failure to file the financial statements, corresponding management’s discussion & analysis and officers’ certificates, and annual information form for the year ended December 31, 2024 by the required filing deadline. While the cease trade order remained in effect, the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the three-month period ending March 31, 2025, Form 51-102F6 Statement of Executive Compensation, the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the six-month period ending June 30, 2025, and the interim unaudited financial statements, management’s discussion & analysis and officers’ certificates for the nine-month period ending September 30, 2025, came due on May 15, 2025, May 20, 2025, August 14, 2025, and November 14, 2025, respectively (collectively with the 2024 annual reporting requirements, the “**Continuous Disclosure Documents**”). The Continuous Disclosure Documents have been filed by the Company and are available on SEDAR+, and the Ontario Securities Commission revoked the April 4, 2025 cease trade order on November 25, 2025. Trading in the Company’s shares resumed on December 1, 2025.

On March 5, 2026, the Cboe initiated a delisting review of the Company due to its non-compliance with Cboe’s continuous listing requirements as set out in section 3.01(3) of Cboe’s Listing Manual (the “Delisting Review”). The Company has been given until June 4, 2026 in order to submit and execute on a remediation plan that satisfactorily addresses all non-compliance matters (the Company is required to meet at least one of the following criteria: a) shareholder’s equity of at least CAD\$2,500,000, b) net income from continuing operations of at least CAD\$375,000, c) market value of its listed securities of at least CAD\$25,000,000, or d) assets and revenue of at least CAD\$5,000,000 each). Absent satisfactory resolution of the non-compliance matters, the securities of the Company will be delisted at the conclusion of the review period (June 4, 2026).

The Company is working to resolve its non-compliance through completion of an equity financing.

### Significant Programs<sup>3</sup>

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 plans and milestones 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 cannot at this time accurately estimate the cost of bringing the Company’s DMT, 5-MeO-DMT, and Mescaline 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.

The Company has conducted 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 directly 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*

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<sup>3</sup> All quarter references in this section are based on calendar year-end.

*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*”.

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. The FDA requested toxicological studies to be carried out, which must be done prior to starting Phase I in the U.S. and/or Europe. Different laboratories are currently being evaluated where these studies can be carried out.<sup>4</sup>

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 will 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

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<sup>4</sup> 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.

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:

- 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<br><br>Inhaled route of administration: March 9, 2022                                                                                                                                                                                                                                          | Phase I/IIa – Investigational New Drug Clinical Trial completed. Further trials are currently on hold.           |
| BMND02         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold                     |
| BMND03         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND05         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies – Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND06         | Pre-Clinical trials are not required to be approved by the IRB<br><br>ANVISA approved the import of mescaline on August 25, 2022, to be used in the Pre-clinical – Commercial Clinical Trial.<br><br>ANVISA approved the release of the mescaline retained in Customs on October 6, 2022, to be used in the Pre-clinical – Commercial Clinical Trial. | Pre-clinical – Commercial Clinical Trial completed. Further trials are currently on hold.                        |
| BMND07         | Pre-Clinical trials are not required to be approved by the IRB                                                                                                                                                                                                                                                                                        | Pre-Clinical trial completed. Further trials are currently on hold.                                              |
| BMND08         | Received Argentinian IRB approval on May 26, 2022.                                                                                                                                                                                                                                                                                                    | Phases I/IIa – Investigational New Drug Clinical Trial completed. Further clinical trials are currently on hold. |

|  |                                                                                                                         |  |
|--|-------------------------------------------------------------------------------------------------------------------------|--|
|  | ANMAT approved the import of BMND08 on August 1, 2022 to be used in a 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.<sup>5</sup>

The Company currently has insufficient working capital to proceed with further trials, and therefore programs to advance the projects to commercialization are principally on hold while the Company continues efforts to secure appropriate funding.

The chart below provides a comparison of the Company's actual costs and timelines associated with its DMT, 5-MeO-DMT, and Mescaline programs to the disclosure in its management's discussion & analysis for the nine months ended November 30, 2025, dated November 18, 2025 (the "Q3 2025 MD&A").

| Objective                   | Milestone<br>(3) (4) (5) (6)                                                                                      | Estimated<br>Cost in the<br>Q3 2025<br>MD&A | Actual<br>Costs to<br>Date | Estimated<br>Timeframe<br>for<br>Completion<br>in the Q3<br>2025 MD&A | Estimated<br>or Actual<br>Completion<br>Periods | Current<br>Status |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------|-----------------------------------------------------------------------|-------------------------------------------------|-------------------|
| DMT Program<br>(BMND01) (1) | R&D focused<br>on the<br>development of<br>novel<br>formulations<br>and innovative<br>routes of<br>administration |                                             | \$96,780                   | Completed Q1<br>2022                                                  | Completed Q1<br>2022                            | Completed         |
|                             | R&D Activities<br>Phase I                                                                                         |                                             | \$1,137,237                | Completed Q3<br>2022                                                  | Completed Q3<br>2022                            | Completed         |

<sup>5</sup> 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.

**BIOMIND LABS INC.**  
**Management's Discussion and Analysis**  
**As at and for the year ended December 31, 2025**

|                                           |                                                                                              |                    |                    |                                                                                                 |                                                                                                 |                   |
|-------------------------------------------|----------------------------------------------------------------------------------------------|--------------------|--------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------|
|                                           | Phase IIa                                                                                    |                    | \$-                | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | On hold           |
| DMT Program (BMND07) <sup>(1)</sup>       | Pre-Clinical                                                                                 |                    | \$82,896           | Completed Q3 2021                                                                               | Completed Q3 2021                                                                               | Completed         |
| <b>Total – DMT Program</b>                |                                                                                              | <b>\$1,136,419</b> | <b>\$1,316,913</b> |                                                                                                 |                                                                                                 |                   |
| 5-MeO-DMT Program (BMND08) <sup>(2)</sup> | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$228,215          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Phase I                                                                       |                    | \$602,353          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | R&D Activities Phase IIa                                                                     |                    |                    | Completed Q1 2024                                                                               | Completed Q1 2024                                                                               | Completed         |
|                                           | Breakthrough Therapy Designation (BTD) with the FDA <sup>(7)</sup>                           |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | EMA and MHRA engagement <sup>(7)</sup>                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Develop manufacturing scalability <sup>(7)</sup>                                             |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – 5-MeO-DMT Program</b>          |                                                                                              | <b>\$650,074</b>   | <b>\$830,568</b>   |                                                                                                 |                                                                                                 |                   |
| Mescaline Program (BMND06)                | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$163,906          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Pre-Clinical studies                                                          |                    | \$475,693          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | Phase I <sup>(7)</sup>                                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Phase IIa <sup>(7)</sup>                                                                     |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – Mescaline Program</b>          |                                                                                              | <b>\$459,105</b>   | <b>\$639,599</b>   |                                                                                                 |                                                                                                 |                   |

**Notes:**

(1) The Company strategically designated BMND01 as its lead candidate for advancement to Commercial Clinical Trials, redirecting available resources from BMND07 to focus on BMND01's potential.

- |     |                                                                                                                                                                                                                                                                                                                                      |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (2) | The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-DMT. The strategic decision underscores the market opportunity represented by the targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation. |
| (3) | There may be circumstances where for sound business reasons the Company reallocates the funds or determines to not proceed with a milestone.                                                                                                                                                                                         |
| (4) | Subject to receipt of all necessary regulatory approvals.                                                                                                                                                                                                                                                                            |
| (5) | Further, there is no assurance that such studies will advance to Commercial Clinical Trials at all.                                                                                                                                                                                                                                  |
| (6) | The Company is still evaluating the jurisdiction where it shall conduct the Commercial Clinical Trials; this could be the U.S., the UK or any other country of the European Union.                                                                                                                                                   |
| (7) | The continuation of these trials is subject to the raising of funds by the Company.                                                                                                                                                                                                                                                  |

On the basis of the positive results from the trials for BMND08 and BMND01, given the Company's limited financial resources, its current focus is on advancing BMND08 as its first priority under the 5-MeO-DMT program, and then on BMND01 under the DMT program. In order to make any significant progress with these programs, the Company will be required to secure additional capital.

Subject to the availability of additional funding over and above the capital required to advance its BMND08 and BMND01 programs, the Company would also recommence the programs relating to BMND02, BMND03, BMND05, and BMND07 by conducting further studies, the results of which would determine whether it is worth proceeding to a clinical phase for those programs.

### **DMT Program**

DMT is a serotonergic psychedelic that exerts its effects through serotonergic receptors in the brain including 5-HT<sub>2A</sub>, 5-HT<sub>1A</sub>, 5-HT<sub>2C</sub> and 5-HT<sub>7</sub> receptors, among others. Because the effects of DMT do not last very long, it becomes a good candidate to treat Treatment-Resistant Depression ("TRD")<sup>6</sup>. DMT effects are thought to be principally mediated through activation of 5HT<sub>2AR</sub> 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<sup>7</sup>.

The Company has 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 has conducted Investigational New Drug Clinical Trials on three of 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 received authorization from the IRB and 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,

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<sup>6</sup> 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.

<sup>7</sup> 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.



one focused on a formulation for intramuscular administration and one focused on a formulation for inhaled administration. These Investigational New Drug Clinical Trials were developed by the Company's neuroscientist Dr. Draulio Barros de Araujo and were 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 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](http://www.clinicaltrials.gov) (NCT05573568). On November 04, 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. The trial has involved a dose exploration schedule ranging from 5 to 100 mg. No volunteer presented serious adverse events or clinical risk to the 11 different doses tested. These successful first results bring strong potential for the next phase of the trial, which will address patients suffering from TRD.

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. BMND01 is its lead candidate for progression to Commercial Clinical Trials, over BMND07.

Due to the COVID-19 pandemic, the Company experienced certain temporary 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 were allocated for studies related to COVID-19 and, as a result of COVID-19, related suppliers 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 the 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 PIND file for the Company, the PIND number assigned was 163758. On September 23, 2022, the Company submitted its briefing package to the FDA.

On October 25, 2022, the FDA provided its written response opinion, granting the Company IND clearance related to the NCE Triptax™. The proposed IND-opening study in the U.S. will be a Phase I safety, tolerability, and Pharmacokinetics ("PK") study. Subjects will receive Triptax™ in two dosing sessions, a low-dose and an intermediate-dose in a fixed order, with specific doses determined based on the results of the Phase I Investigational New Drug Clinical Trial study conducted in Brazil. With this IND clearance, subject to availability of sufficient working capital, the Company is now in a strong position to advance in the clinical pipeline targeting depression, specifically, TRD. As part of the Company's diversified go-to-market strategy, the NCE Triptax™ opens a new avenue to be considered by traditional pharma companies, since it could be used as an active pharmaceutical ingredient or as a chemical precursor, depending on the selected route of administration and physicochemical characteristics. For submission of the dossier to the FDA, the Company relied on the results of the Phase I clinical trial for BMND01. Based on those results,

the Company strategically designated BMND01 as its lead candidate for advancement to Commercial Clinical Trials, redirecting available resources from BMND07 to focus on BMND01's potential.

On March 31, 2023, the Company announced that it successfully completed the optimization of a new extraction method to increase the purity and yield of DMT. This method can be scalable to potentially reach an affordable and environmentally friendly production of the NCE Triptax™ in compliance with Good Manufacturing Practices, as is required by the pharmaceutical industry. Through this optimized process, the DMT crystals obtained could be used as an API or as a chemical precursor of the Company's novel formulations.

In March 2024, the Company published the results of the Phase I trial of its novel drug candidate BMND01 for TRD in the journal *European Neuropsychopharmacology* (DOI: 10.1016/j.euroneuro.2023.12.006). The title of the article is: "Safety and tolerability of inhaled N, N-Dimethyltryptamine (BMND01 candidate): A phase I clinical trial".

As of December 31, 2025, the Company has spent approximately \$1,316,913 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.<sup>8</sup>

Under the 5-MeO-DMT Program, the Company is working on two drug candidates<sup>9</sup>:

- 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.<sup>10</sup> 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.

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<sup>8</sup> 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>.

<sup>9</sup> 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.

<sup>10</sup> 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.

The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-DMT. The strategic decision underscores the market opportunity represented by the targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation.

On May 24, 2022, the Company entered into a research and development contract with Hadasit Medical Research Services and Development Ltd.<sup>11</sup>, Israel, to test the potential antidepressant benefit of an alternative 5-MeO-DMT dose schedule in the Company's BMND08 formulation. The research (results remain pending due to the Company's financial constraints) was led by Professor Dr. Bernard Lerer, Director of the Hadassah BrainLabs, Knowledge Center for Research on Brain Diseases.

On May 26, 2022, the Company announced that it received authorization from the Argentinian IRB for a Phase II Investigational New Drug 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 ("CUC") and the Dr. Marcial Quiroga Hospital (the "DMQH"), in Argentina. This Investigational New Drug Clinical Trial was conducted by Neuroscientist Dr. Martin Bruno and a highly professional interdisciplinary medical team. DMQH has more than a hundred patients with the targeted disease which allows the Company to shorten the time required to commence the Phase II clinical trial.

On December 28, 2022, the Company announced that it successfully completed the development of a novel sublingual formulation to be used in the Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. The sublingual route of administration addresses many pharmaceutical and patient needs, highlighting convenient dosing for geriatric and psychiatric uncooperative patients with dysphagia (difficulty in swallowing). Sublingual administration presents several advantages over oral formulations such as quick absorption, predictable potency, reduced interaction with other medications and foods, and ease of administration.

In March 2023, DMQH received the novel sublingual formulation developed by the Company to be used in the Investigational New Drug Clinical Trial on its BMND08 candidate.

On April 25, 2023, the Company announced that it commenced the Investigational New Drug Clinical Trial for its proprietary 5-MeO-DMT-based BMND08 candidate. This successful trial was led by the Company's Clinical Advisor, Neuroscientist Dr. Martín Bruno. The Investigational New Drug Clinical Trial, a double-blind, randomized, placebo-controlled, repeated single dose trial, included 40 subjects (50-75 years old).

In June 2023, the Company received a preliminary report with very promising results regarding the formulation and its safety in healthy volunteers ("HV").

On September 14, 2023, the Company announced that it successfully completed the organic synthesis scheme of 5-MeO-DMT. This organic synthesis enables the efficient production of 5-MeO-DMT freebase. This process ensures high purity and maintains the compound's integrity, making it suitable for pharmaceutical applications.

In December 2023, the Company received a preliminary report with very promising results regarding the sublingual formulation in patients with depression and anxiety.

On March 01, 2024, the Company announced unprecedented positive results of Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. This critical milestone allowed the Company to determine the optimal therapeutic

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<sup>11</sup> Hadasit is a wholly owned subsidiary of Hadassah Medical Organization ("HMO").

dose for depression and anxiety, ensuring both safety and effectiveness. Patients in various groups, including those with depression and anxiety, were administered BMND08 to assess its impact on symptom reduction. Notably, the trial demonstrated significant improvements in depression, anxiety and stress, and scores compared to the placebo group, highlighting BMND08's therapeutic potential. In addition to addressing mood disorders, BMND08 exhibited promising effects on cognitive function. Participants receiving BMND08 showed notable enhancements in executive functions, particularly in processing speed, suggesting broader implications for cognitive decline associated with MCI.

In December 2024, the Company registered both trials on [www.clinicaltrials.gov](http://www.clinicaltrials.gov). The first was titled "Safety, Tolerability, and Efficacy of Sublingual Microdoses of 5-MeO-DMT for Depression and Anxiety (5-MeO-DMT)" ([NCT06816667](https://clinicaltrials.gov/ct2/show/study/NCT06816667)) and the second was titled "Efficacy of Sublingual 5-MeO-DMT for Reducing Anxiety and Depression in MCI (5-MeO-DMT)" ([NCT06812221](https://clinicaltrials.gov/ct2/show/study/NCT06812221)).

In July 2025, the Company published the results of the Phase I trial of its novel drug candidate BMND08 for depression and anxiety in the journal *Neuropsychopharmacology* (DOI: <https://doi.org/10.1038/s41386-025-02167-3>). The title of the article is: "Safety and tolerability of multiple sublingual microdoses of 5-MeO-DMT in adults with moderate symptoms of depression and/or anxiety: a randomized, double-blind, placebo-controlled study".

On December 3, 2025, the Company announced advancements in the development of BMND08, transitioning the program on BMND08 into FDA-directed activities using the Company's nano-formulation drug-delivery platform, which is designed to support commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

As of December 31, 2025, the Company has spent \$830,568 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-HT<sub>2A</sub> receptor with high affinity.<sup>12</sup>

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 specializing in the optimization of microorganisms for the biological synthesis of molecules through fermentation processes. Using this method, it could potentially

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<sup>12</sup> 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.

achieve a very low cost of mescaline synthesis and protect its novel production method. The Company completed the biological synthesis of mescaline precursors in Q2 2022.

The Company 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 conducted the first Pre-Clinical trial for BMND06 for the Company.

ANVISA approved the import of mescaline on August 25, 2022, and the release of the mescaline retained in Customs on October 06, 2022, to be used in the Pre-clinical – Commercial Clinical Trial. The Pre-Clinical trial started in Q4 2022 and finished in Q4 2023.

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 – Commercial Clinical Trial.<sup>13</sup>

In August 2023, the Company received the final report related to *in vitro* cytotoxicity and expression studies of mescaline. The preclinical mutagenicity AMES test for mescaline has shown an excellent safety profile, the results confirmed that it is not mutagenic at high doses. As a promising anti-inflammatory compound, mescaline has shown relevant profile through *in vitro* assays, showing that it has four times more potency as an anti-inflammatory than dexamethasone, a glucocorticoid medication used to treat rheumatic problems.

In November 2023, the Company received the final report related to acute and chronic toxicity of mescaline in Wistar rats. In both intravenous and oral administration, mescaline showed temporary and mild effects on behaviour as soon as it was administered but showed no signs of toxicity in any of the studies carried out. Furthermore, mescaline did not induce chromosomal damage or genetic mutations in the genotoxicity tests.

On July 19, 2024, the Company announced the decision to advance a new Phase II clinical trial in humans, focusing on obesity. This decision followed new and unexpected findings from a pre-clinical study of its proprietary compound 3,4,5-trimethoxyphenethylamine-based BMND06. The toxicological studies reveal that the BMND06 candidate is physiologically safe, exhibiting low acute and chronic oral toxicity with no mutagenic effects. The primary objective was to establish a starting safe dose for the first-in-human trial and evaluate the potential toxicity of BMND06. In addition to *in vivo* studies, *in vitro* assays surprisingly demonstrated that BMND06 significantly reduces LPS (lipopolysaccharide)-induced IL-6 (interleukin-6) levels in various colon cancer cell lines, outperforming dexamethasone-a commonly used anti-inflammatory corticosteroid-by fivefold in reducing IL-6 induction caused by LPS.

As of December 31, 2025, the Company has spent \$639,599 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

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<sup>13</sup> 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.

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.

### **Research and Development: Formulations and Drug Delivery Systems**

Mindcore's<sup>14</sup> operations in Uruguay housed 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 has leveraged 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 is being led by Professor Ryan Donnelly, a world leader in the research of microneedle delivery technologies. On September 27, 2022, the Company and QUB have received Controlled Substances License from the United Kingdom Regulator to commence the eight-month project. On October 4, 2022, the Queen's scientific team started activities related to the project. The project is on hold.

On August 10, 2022, the Company entered into a R&D agreement with MIXI, a service provider from The Nuclear Research Center of University of Republic ("UdelaR"), Uruguay, related to *in vitro* cytotoxicity and expression studies of one of the Company's molecules. The project is completed.

### **Operations**

Liverdome's<sup>15</sup> 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

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<sup>14</sup> Biomind Research has three wholly owned subsidiaries, Liverdome Development Inc. (BVI) ("Liverdome"), formed under the BVI Act on December 23, 2020, Mindcore Labs Limited (BVI) ("Mindcore"), formed under the BVI Act on November 9, 2020 and Biomind Labs Pesquisas Científicas Ltda. (Brazil) ("BLP"), formed under the Brazilian Corporation Law (no. 6.404 of December 15, 1976) on June 23, 2021.

<sup>15</sup> See footnote 14.

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 have been 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 and subject to the availability of sufficient working capital, 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 the third party maintains a 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 is 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 applied for, and has 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 have been performed in Brazil. The Company has entered into an agreement with the UFRN which has a special authorization from 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 have been 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 applied for, and has 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, which, together with the Company, worked on the pre-IND meeting request letters and prepared the regulatory



IND briefing packages to be filed with the FDA for the purpose of Commercial Clinical Trials. These regulatory filings sought FDA approval and guidance to initiate future in-human clinical studies. The pre-IND meetings, provided the Company with the opportunity to meet with the FDA to discuss the Company's programs and enhance the completeness of the IND application submissions.

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 assisted in matters related to the Company's pre-IND meetings and INDs.

On September 5, 2022, the Company signed a confidential agreement with Salamandra, a specialized consulting firm providing strategic, technical and regulatory support for the pharmaceutical and medical device industry, located in Maryland, U.S. Salamandra provided regulatory support for the Company's pre-IND meetings and INDs.

On December 9, 2022, the Company signed a confidential agreement with Gaea OÜ, a full-service CRO, located in Tallin, Estonia. Gaea OÜ is providing technical and regulatory support for the Company's trials to be run in Europe.

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 has advanced on the product chemistry, manufacturing and controls and 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, has also continued the work required 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 was submitted in Q3 2022. The Company is also presently rehearsing internally, and will continue to do so, to ensure clarity on the roles and responsibilities of various attendees at the anticipated meeting and to help ensure a smooth meeting flow.
- Once the meeting request has been submitted, the FDA will decide whether to grant or deny the request and to determine the appropriate format for an approved meeting. Within 21 days of the

meeting request the FDA will contact the Company to indicate meeting format and to schedule the meeting within 60 days of the initial request.

- 30 days prior to the meeting, the Company will submit a document with finalized questions and information requests to the FDA that they wish to have answered or discussed 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.<sup>16</sup>
- 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 ensure that research subjects will not be subjected to unreasonable risk. The FDA may request additional information or clarification of details contained in the Company's IND application that the Company would aim to resolve in a timely fashion.
- If and when the Company receives notification from the FDA that it is safe to proceed with any planned clinical study (typically received via phone or email and subsequently followed by an official "safe to proceed" letter), the Company's IND would be considered "active".

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<sup>16</sup> See footnote 19.

- 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**

### ***Trademarks***

The Company has filed applications for registration of two trademarks including Biomind™, and Triptax™.

The trademark Biomind™ was registered on December 15, 2023, under Registration No. TMA1214348 in association with all the services set out in the trademark certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before December 15, 2033.

The trademark Triptax™ was registered on May 9, 2025, under Registration No. TMA1311933 in association with the pharmaceutical preparations set out in the trademark certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before May 9, 2035.

### ***Patents***

The Company's mission is to discover, develop and deploy psychedelic inspired medicines to alleviate suffering and improve health through the research and development of new and improved psychedelic inspired medicines ranging from proprietary psychedelic compounds (such as the API) to specific formulations thereof and uses for such compounds and formulations. As the Company generates new data it will expand patent coverage throughout the development program.

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

Due to financial constraints, the following patent applications have been allowed to expire: PCT/CA2021/051316 - Isotopically labelled psychedelic tryptamines for use in pharmacology or clinical treatments; PCT/CA2022/051246 – Isotopically labeled tryptamines and analogs thereof; and PTC/CA2022/051451, publication number WO 2023/050010 – Encapsulated microparticles and nanoparticles of dimethyltryptamine. As of the date of this MD&A, the Company has 8 patent applications as detailed in the table below.

The following table set forth the status for each patent application applicable to the Company's current and anticipated business activities:

|   | <b>Title</b>                                                                                                                                                                | <b>Jurisdiction of Filing</b>                               | <b>Status</b>                                     |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------|
| 1 | Composition based on dimethyltryptamine marked with <sup>15</sup> N and one method for personalized treatment of neurological and psychiatric disorders.<br><b>UY 39305</b> | Paris Convention Treaty <sup>17</sup> (UY)<br>Priority Date | Published<br>Requested of Substantive Examination |
| 2 | Compositions of N, N-DMT and 5-MeO-DMT marked totally or partially with stable isotopes for monitoring its pharmacokinetics and bioavailability.<br><b>UY 39299</b>         | Paris Convention Treaty (UY)<br>Priority Date               | Published<br>Requested of Substantive Examination |
| 3 | Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments<br><b>UY 39300</b>                                                              | Paris Convention Treaty (UY)<br>Priority Date               | Published<br>Requested of Substantive Examination |
| 4 | Pharmaceutical formulation containing a psychedelic substance obtained by 3D printing by selective laser sintering (SLS)<br><b>UY 39443</b>                                 | Paris Convention Treaty (UY)<br>Priority Date               | Published<br>Requested of Substantive Examination |
| 5 | Dimethyltryptamine-based nasal spray for the personalized treatment of neurological and psychiatric disorders<br><b>UY 39445</b>                                            | Paris Convention Treaty (UY)<br>Priority Date               | Published<br>Requested of Substantive Examination |
| 6 | Encapsulated microparticles and nanoparticles of dimethyltryptamine and one natural inhibitor of the enzyme monoamine oxidase<br><b>UY 39446</b>                            | Paris Convention Treaty (UY)<br>Priority Date               | Published<br>Requested of Substantive Examination |
| 7 | Encapsulated microparticles and nanoparticles of dimethyltryptamine<br><b>EP 21218287.7</b><br><b>Publication Number: EP 4 159 201</b>                                      | EPO: European Patent Office (Spain)                         | Published (Pending)                               |
| 8 | Encapsulated microparticles and nanoparticles of dimethyltryptamine.<br><b>PCT/CA2022/051451</b><br><b>Publication Number: US 2024/0408063</b>                              | USPTO: US                                                   | Published (Pending)                               |

The Paris Convention Treaty (the “PCT”) facilitates filing for patent recognition in multiple jurisdictions simultaneously using a single uniform patent application. A total of 193 countries, including Canada and the United States, have ratified the PCT. Ultimately, patents are still granted in each country individually. As such, the PCT procedure consists of two phases: filing of an international application, and national evaluation under the patent laws in force in each country where a patent is sought. Within 12 months of filing a provisional patent application at the United States Patent and Trademark Office, the Company may elect to file a regular utility patent application in the United States in tandem with filing a PCT application with the World Intellectual Property Office, in each case claiming priority to the provisional patent application. Within 30 months of the provisional filing date, deadlines begin for a PCT application to enter

<sup>17</sup> 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.

the national phase in desired jurisdictions globally, such as Canada (30 months) and Europe (31 months), in each case claiming priority to the provisional patent application.

Related to the PCT-patent applications, the Company received the Written Opinion of the International Searching Authority (“**ISR**”) from the International Preliminary Examining Authority (“**IPEA**”) for the application PCT/CA2022/051451, submitted by the Company. In view of the prior art cited, the invention appears to be novel, involves an inventive step, and has industrial application, the three requirements to grant a patent. On June 24, 2022, the Company received the European Search Report (“**ESR**”) from the European Patent Office (“**EPO**”) for some of the applications 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.<sup>18</sup>

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

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<sup>18</sup> 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”.

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.<sup>19</sup>

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:<sup>20</sup> "There is no scientific evidence to guarantee the safety of the therapeutic use of ibogaine, as it is a substance with reported serious risks, including sudden death. There is no ANVISA regulation for the commercialization of ibogaine as a medicine, being its offer and commercialization prohibited and subject to complaints. Clinical trials with medicines in Brazil are regulated by RDC 9/2015."

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*<sup>21</sup>) 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,<sup>22</sup> 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

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<sup>19</sup> <https://www.gov.br/anvisa/pt-br/assuntos/noticias-anvisa/2018/tratamentos-com-ibogaina-nao-estao-regulamentados>

<sup>20</sup> <http://mds.gov.br/obid/artigos/governo-federal-desaprova-a-utilizacao-de-ibogaina-no-tratamento-da-dependencia-quimica>

<sup>21</sup> Representative Organization of Clinical Research.

<sup>22</sup> Such as storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs.

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 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, which are conducted by the UFRN and Raras, that have all the necessary licenses to operate the active clinical trials.

### ***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 will have to fill out online information regarding, among other things, its activity, representatives, types of



substances to be handled, and information about the location where the activity shall be developed. The CSD shall respond to the registration either by 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 have been 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, which 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 optimize the 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.<sup>23</sup>

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.<sup>24</sup>

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

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<sup>23</sup> 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](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).

<sup>24</sup> 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf).

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, U.S., 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 U.S., Brazil or Uruguay).

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 it will 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 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 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 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 Annual Information<sup>1</sup>

|                                         | For the year ended<br>December 31, 2025 | For the year ended<br>December 31, 2024 | For the year ended<br>December 31, 2023 |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Loss and comprehensive loss:            |                                         |                                         |                                         |
| (i) total for the year                  | \$857,686                               | \$212,478                               | \$1,191,965                             |
| (ii) loss per share – basic and diluted | \$0.01                                  | \$0.003                                 | \$0.02                                  |
| Total assets                            | \$36                                    | \$41,161                                | \$74,199                                |
| Total current liabilities               | \$1,735,689                             | \$1,341,353                             | \$1,506,319                             |
| Total long-term financial liabilities   | \$nil                                   | \$nil                                   | \$nil                                   |

<sup>1</sup> Audited financial information prepared in accordance with International Financial Reporting Standards ("IFRS").

## Selected Quarterly Information<sup>1</sup>

The following table sets out selected quarterly information for the eight most recently completed fiscal quarters of the Company up to December 31, 2025:

| Three<br>ended,                                     | months | December<br>31, 2025 | September<br>30, 2025 | June 30,<br>2025 | March<br>31, 2025 | December<br>31, 2024 | September<br>30, 2024 | June 30,<br>2024 | March<br>31, 2024 |
|-----------------------------------------------------|--------|----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|
|                                                     |        | \$                   | \$                    | \$               | \$                | \$                   | \$                    | \$               | \$                |
| Total revenue                                       |        | -                    | -                     | -                | -                 | -                    | -                     | -                | -                 |
| Income (loss) and<br>comprehensive<br>income (loss) |        | (597,855)            | (61,210)              | (136,445)        | (62,176)          | 200,182              | 2,831                 | (212,058)        | (203,443)         |
| Basic and diluted<br>net income (loss)<br>per share |        | (0.008)              | (0.001)               | (0.002)          | (0.001)           | 0.002                | 0.000                 | (0.003)          | (0.002)           |

<sup>1</sup> Unaudited financial information prepared in accordance IFRS

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

**For the three and twelve months ended December 31, 2025 compared to the three and twelve months ended December 31, 2024**

The following is a summary of; the Financial Statements for the three and twelve months ended December 31, 2025 compared to the three and twelve months ended December 31, 2024; and the Company's financial position as at December 31, 2025 compared to December 31, 2024:

|                                                                   | For the three months<br>ended December 31, |             | For the twelve months ended<br>December 31, |              |
|-------------------------------------------------------------------|--------------------------------------------|-------------|---------------------------------------------|--------------|
|                                                                   | 2025                                       | 2024        | 2025                                        | 2024         |
| <b>Expenses</b>                                                   |                                            |             |                                             |              |
| Depreciation                                                      | \$ -                                       | \$ 2,230    | \$ 2,230                                    | \$ 8,920     |
| Foreign exchange loss (gain)                                      | (6,533)                                    | (137)       | (16,386)                                    | 21,276       |
| General and administrative                                        | 35,382                                     | 8,200       | 91,130                                      | 91,361       |
| Interest expense                                                  | 13,773                                     | (190,020)   | 68,710                                      | 32,645       |
| Management fees                                                   | 51,827                                     | 49,287      | 195,830                                     | 207,962      |
| Professional fees                                                 | 42,457                                     | 6,302       | 135,183                                     | 80,145       |
| Research and development                                          | -                                          | 28,361      | -                                           | 16,061       |
| Share-based payments                                              | 422,225                                    | -           | 422,225                                     | -            |
|                                                                   | \$ 559,131                                 | \$ (95,777) | \$ 898,922                                  | \$ 458,370   |
| Change in fair value of derivative liability                      | 5,218                                      | (71,962)    | 23,531                                      | (53,908)     |
| Gain on sale of equipment                                         | -                                          | -           | (72,041)                                    | -            |
| Gain on settlement of debt                                        | -                                          | (4,526)     | -                                           | (4,526)      |
| Recovery of trade payables                                        | -                                          | -           | -                                           | (139,457)    |
| <b>Loss</b>                                                       | \$ (564,349)                               | \$ 172,265  | \$ (850,412)                                | \$ (260,479) |
| <b>Other comprehensive income (loss)</b>                          |                                            |             |                                             |              |
| Currency translation adjustment                                   | (33,506)                                   | 27,917      | (7,274)                                     | 48,001       |
| <b>Income (loss) and comprehensive income (loss) for the year</b> | \$ (597,855)                               | \$ 200,182  | \$ (857,686)                                | \$ (212,478) |

| Financial Position as at          | December 31,<br>2025 | December 31, 2024 |
|-----------------------------------|----------------------|-------------------|
| Cash                              | \$36                 | \$147             |
| Total assets                      | \$36                 | \$41,161          |
| Total liabilities                 | \$1,735,689          | \$1,341,353       |
| Shareholders' equity (deficiency) | \$(1,735,653)        | \$(1,300,192)     |
| Number of shares outstanding      | 77,571,773           | 77,571,773        |



### ***Results of Operations Analysis***

The Company's operating results reflect (i) changes in the value of the Company's assets; and (ii) the expenses required to deploy and manage the Company's invested capital.

| Line Item                    | Variance and explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depreciation                 | Expenses of \$nil and \$2,230 for the three and twelve months ended December 31, 2025, respectively (2024 - \$2,230 and \$8,920, respectively), are due to the depreciation of the equipment bought in December 2021. As of March 31, 2025, all equipment was fully depreciated. On March 31, 2025, the Company sold all of its equipment as it was no longer needed for the Company's operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Foreign exchange loss (gain) | Foreign exchange loss (gain) was \$(6,533) and \$(16,386) for the three and twelve months ended December 31, 2025, respectively (2024 - \$(137) and \$21,276, respectively). The Company operates in multiple jurisdictions and is exposed to foreign currency fluctuations. The \$6,396 and \$37,662 change in foreign exchange for the three and twelve months ended December 31, 2025, respectively, as compared to the same periods in 2024 directly related to significantly reduced activity in the Company's foreign subsidiaries that corresponded with the Company's lack of available funding, and a reduction in currency fluctuations between the Canadian and U.S. dollar.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| General administrative and   | Expenses of \$35,382 and \$91,130 for the three and twelve months ended December 31, 2025, respectively (2024 - \$8,200 and \$91,361, respectively) are primarily due to filing fees (transfer agent, Cboe, SEDAR+, and news release dissemination fees) and office expenses (website maintenance, contractor fees, and general office expenses) that were incurred. The \$27,182 increase in general & administrative costs for the three months ended December 31, 2025, as compared to the same period in 2024 primarily related to office expenses for the Uruguay office that were applied against the Advances balance of \$20,950, and to the accrual of annual SEDAR+ filing fees. The overall \$231 decrease in general & administrative costs for the twelve months ended December 31, 2025, as compared to the same period in 2024 primarily related a reduction of \$14,200 and \$918 in consulting fees and office expenses, respectively, an increase of \$19,480 in filing fees, and in the prior period, general and administrative expenses were offset by a \$4,593 credit in insurance related to the cancellation of the Company's director and officer insurance policy. |
| Interest expense             | Expenses of \$13,773 and \$68,710 for the three and twelve months ended December 31, 2025, respectively (2024 - \$(190,020) and \$32,645, respectively) are due to the financing liability due to a significant shareholder of the Company. The significant reduction in interest for both periods in 2025 (\$203,793 and \$32,109, respectively) compared to the same periods in 2024 was based on the derivative portion of the credit facility being fully accounted for in the prior periods. During the three months ended December 31, 2024, the Company recorded an adjustment to the prior accrual of interest in the first nine months of 2024. In addition to the year end adjustment in 2024, a portion of the credit facility principal and accrued interest was settled for shares of the Company. See Convertible Debt section for details of period over period interest changes in the credit facility.                                                                                                                                                                                                                                                                       |
| Management fees              | Expenses of \$51,827 and \$195,803 for the three and twelve months ended December 31, 2025, respectively (2024 - \$49,287 and \$207,962, respectively) are due to fees charged by the CEO, CFO and directors of the Board. Fees for the CEO and directors of the Board remained consistent period over period, while the \$12,159 reduction in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**BIOMIND LABS INC.**  
**Management's Discussion and Analysis**  
**As at and for the year ended December 31, 2025**

|                                              |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              |     | overall fees for the twelve months ended December 31, 2025 compared to the same period in the prior year related to the CFO agreeing to suspend his monthly fee of \$5,000 per month, subsequent to Q1 2024, offset by an increase in director fees of \$3,998, related to the appointment of a new director in November 2025. See also Related Parties section.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Professional fees                            |     | Expenses of \$42,457 and \$135,183 for the three and twelve months ended December 31, 2025, respectively (2024 - \$6,302 and \$80,145, respectively) are primarily due to fees paid to auditors, accountants, lawyers, and other professionals. The \$36,155 increase in professional fees in the three months ended December 31, 2025 as compared to the three months ended December 31, 2024, principally related to 2024 year end adjustments made to 2024 accruals. Net of the adjustment of accrual, accounting and audit fees remained consistent, and legal fees increased by \$12,000 in relation to the regulatory review process associated with bringing the Company's continuous disclosure obligations current. The \$55,038 increase in professional fees for the twelve months ended December 31, 2025 as compared to the twelve months ended December 31, 2024, principally related to additional legal fees of \$22,111 incurred in relation to the regulatory review process associated with bringing the Company's continuous disclosure obligations current, increased accounting fees of \$21,369, and an increase in the accrual of audit fees of \$14,203, offset by a \$2,645 reduction in IP related work. |
| Research and development                     | and | R&D expense for the three and twelve months ended December 31, 2025, was \$nil and \$nil, respectively, compared to \$28,361 and \$16,061 for the three and twelve months ended December 31, 2024, respectively. Research and development work during 2025 was put on hold due to the Company's lack of working capital. During 2024, the Company continued with work related to BMND-08, and the Company was reimbursed for research and development that it completed for an arm's length party, which the Company recorded as reduction in research and development expenses of \$12,300 for the period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Share-based compensation                     |     | Expenses for share-based compensation were \$422,225 and \$422,225 for the three and twelve months ended December 31, 2025, respectively (2024 - \$nil and \$nil, respectively). This is a non-cash expense used to value stock options granted and vested to officers and consultants to the Company during the period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Change in fair value of derivative liability |     | Expenses of \$5,218 and \$23,531 for the three and twelve months ended December 31, 2025, respectively, (2024 - \$(71,962) and \$(53,908), respectively), related to valuation of the derivative liability associated with the Convertible Debt. See Convertible Debt section for details of period over period changes in the credit facility.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Gain on sale of equipment                    |     | Gain on settlement of equipment for the three and twelve months ended December 31, 2025 was \$nil and \$72,041, respectively (2024 - \$nil and \$nil, respectively). On March 31, 2025, the Company settled \$89,875 of the Credit Facility in consideration of the sale of lab equipment owned by Mindcore to Synbio Powerlabs Oy, a company related to Union, and to the Company's CEO (Alejandro Antalich is the Chairman of Synbio). The lab equipment was no longer required for Mindcore's operations, and its sale value was determined based on current market prices for the equipment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Gain on settlement of debt                   |     | Gain on settlement of debt for the three and twelve months ended December 31, 2025, was \$nil and \$nil, respectively, compared to \$4,526 and \$4,526, for the three and twelve months ended December 31, 2024, respectively. During 2024, the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**BIOMIND LABS INC.**  
**Management's Discussion and Analysis**  
**As at and for the year ended December 31, 2025**

|                                 |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 |  | settled \$21,645 in outstanding liabilities for common shares with a fair value of \$17,119, resulting in the \$4,526 gain. See Outstanding Share Data section.                                                                                                                                                                                                                                                                                                                                                                          |
| Recovery of trade payables      |  | Recovery of trade payables for the three and twelve months ended December 31, 2025, was \$nil and \$nil, respectively, compared to \$nil and \$139,457 for the three and twelve months ended December 31, 2024. The recovery in 2024 related to the dissolution of the Company's UK subsidiary, Biomind Labs UK Limited, on July 23, 2024, subsequent to which to the Company does not consolidate that company's results. Prior to its dissolution, the UK subsidiary was inactive and no longer required for the Company's operations. |
| Currency translation adjustment |  | Currency translation adjustment for the three and twelve months ended December 31, 2025 was \$(33,506) and \$(7,274), respectively (2024 - \$27,917 and \$48,001, respectively). Currency translation adjustment reflects the impact of changes in foreign exchange rates between the Company's functional currency (Canadian dollar) and its reporting currency (U.S. dollar). A weakening of the Canadian dollar against the U.S. dollar in 2025 resulted in the change in translation adjustments.                                    |

|                                            | December 31,<br>2025        | December 31,<br>2024        |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b><i>Net Assets (Working Capital)</i></b> |                             |                             |
| Cash                                       | \$36                        | \$147                       |
| Advances                                   | -                           | 20,950                      |
| Accounts payable and accrued liabilities   | (764,378)                   | (447,117)                   |
| Financial liabilities                      | (971,311)                   | (894,236)                   |
| <b><i>Working Capital Deficit</i></b>      | <b><i>\$(1,735,653)</i></b> | <b><i>\$(1,320,256)</i></b> |
| <b><i>Shareholders' Deficiency</i></b>     | <b><i>\$(1,735,653)</i></b> | <b><i>\$(1,300,192)</i></b> |

For the twelve months ended December 31, 2025 (compared to balances as at December 31, 2024)

| Line Item               | Variance and explanation                                                                                                                                                                                                                                                                                          |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cash                    | Decreased by \$111 due to the payment of operating expenses which offset additional advances made from the Credit Facility.                                                                                                                                                                                       |
| Advances                | Advances of \$20,950 were used to fund operating expenses relating to the Company's former office and its operations in Uruguay, reducing the balance at December 31, 2025 to \$nil.                                                                                                                              |
| Working Capital Deficit | Increased by \$415,397 primarily due to ongoing operating expenses, and accrued interest on the Credit Facility, which was partially offset by the settlement of a portion of the Credit Facility in consideration of the sale of certain lab equipment that was no longer required for the Company's operations. |

**BIOMIND LABS INC.**  
**Management's Discussion and Analysis**  
**As at and for the year ended December 31, 2025**

| Line Item    | Variance and explanation                                                                                                                                                    |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Assets | Decreased by \$41,125 primarily due to the reduction of Advances as noted above, and by the sale of lab equipment that was no longer required for the Company's operations. |

## **Liquidity and Capital Resources**

*The following is an analysis of the liquidity and capital resources of the Company and should be read in conjunction with the Financial Statements and the corresponding notes thereto.*

### **Summary of Cash Flows**

As at December 31, 2025, net cash decreased by \$111 due to additional advances from the Credit Facility, which were offset by the payment of operating expenses.

|                                                 | For the twelve months ended |                   |
|-------------------------------------------------|-----------------------------|-------------------|
|                                                 | December 31, 2025           | December 31, 2024 |
| Cash used in operating activities               | <b>\$(67,546)</b>           | \$(354,425)       |
| Cash provided by (used in) financing activities | <b>86,340</b>               | 302,249           |
| Net effect of foreign exchange                  | <b>(18,905)</b>             | 28,058            |
| Change in cash                                  | <b>\$(111)</b>              | \$(24,118)        |

### **Liquidity**

The Company had a working capital deficit of \$1,735,653 as at December 31, 2025 (December 31, 2024: \$1,320,256). 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.

### **Capital Resources**

As of December 31, 2025, the Company had no long-term debt.

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

The Company manages liquidity risk by reviewing, on an ongoing basis, its sources of liquidity and capital requirements. In evaluating the Company's capital requirements, 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 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 an R&D 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 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 increase the Company's working capital deficit. As such, substantial additional financing will 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.

Neither Uruguay or Brazil has 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 December 31, 2024, and 2025, and the date of this MD&A:

|                        |            |
|------------------------|------------|
| Authorized             | Unlimited  |
| Issued and outstanding | 77,571,773 |
| Options outstanding    | 6,200,000  |

### *Authorized*

The Company is authorized to issue an unlimited number of common shares.

### *Issued and Outstanding*

On July 2, 2024, the Company issued 2,769,572 common shares pursuant to the conversion of \$332,191 (CAD\$448,671) of the Credit Facility, at a price of \$0.12 (CAD\$0.162) per share.

On November 27, 2024, the Company issued 40,348 common shares with a fair value of \$17,325 in settlement of \$21,851 in outstanding trade payables. The Company recognized a gain on debt settlement of \$4,526.

There were no common shares issued during the year ended December 31, 2025. As at December 31, 2025, and the date of this MD&A, there were 77,571,773 common shares issued and outstanding (December 31, 2024: 77,571,773 common shares issued and outstanding).

### *Stock Options*

The Company has a 10% rolling stock option plan (the “**Plan**”), which was approved by shareholders of the Company on May 14, 2021, and re-approved on February 4, 2026. The Plan authorizes the board of directors, or a committee thereof, from time to time and at their discretion, to grant officers, directors, employees and consultants options exercisable for common shares of the Company. The purpose of the Plan is to recognize the contributions made by the Plan’s participants and to create an incentive for their continuing assistance. The aggregate number of common shares that may be issued pursuant to options and awards of incentive share options under the Plan may not exceed 10% of the number of common shares then issued and outstanding. Options granted can be exercised for a maximum of 10 years and vest as determined by the board of directors. The exercise price of each option is determined by the board of directors on the basis of the closing price of the common shares on the trading day prior to the grant, or the five-day volume weighted average trading price.

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A summary of the Company's stock option activity is as follows:

|                                                                       | Number of Options | Weighted Average Exercise Price (CAD) |
|-----------------------------------------------------------------------|-------------------|---------------------------------------|
| <b>Balance, as at December 31, 2023</b>                               | <b>4,370,000</b>  | <b>\$ 1.14</b>                        |
| Expired unexercised                                                   | (4,370,000)       | 1.14                                  |
| <b>Balance, as at December 31, 2024</b>                               | <b>-</b>          | <b>\$ -</b>                           |
| Granted                                                               | 6,200,000         | 0.35                                  |
| <b>Balance, as at December 31, 2025 and the date of this MD&amp;A</b> | <b>6,200,000</b>  | <b>\$ 0.35</b>                        |

As at December 31, 2025 and the date of this MD&A, stock options outstanding and exercisable are as follows:

| Grant Date       | Number of Options Outstanding | Options exercisable | Exercise Price (CAD) | Expiry Date      | Remaining Contractual Life (Years) |
|------------------|-------------------------------|---------------------|----------------------|------------------|------------------------------------|
| December 3, 2025 | 6,200,000                     | 1,550,000           | \$0.35               | December 3, 2030 | 4.93                               |
| <b>Total</b>     | <b>6,200,000</b>              | <b>1,550,000</b>    | <b>\$0.35</b>        |                  | <b>4.93</b>                        |

On December 3, 2025, the Company granted an aggregate of 6,200,000 stock options to officers, and consultants to the Company. The options have an exercise price of CAD\$0.35 per share, vest every six months over a period of two years, with the first vest on the date of grant, and expire on December 3, 2030. During the year ended December 31, 2025, the Company recognized share-based payments of \$422,225 (2024 - \$nil) related to stock options granted.

The fair value of stock options at date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

|                                      | December 31, 2025 |
|--------------------------------------|-------------------|
| Weighted average share price (CAD\$) | \$0.35            |
| Risk-free interest rate              | 2.80%             |
| Expected life of option              | 5.00 years        |
| Expected annualized volatility       | 125%              |
| Expected dividend rate               | Nil               |

## Convertible Debt

On November 14, 2022, Biomind entered into a financing agreement (the "Financing Agreement") with Union Group Ventures Limited ("UGV"), a subsidiary of a significant shareholder of the Company, pursuant to which UGV 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%. The expiry date of the Financing Agreement was subsequently extended to November 14, 2026. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

Disbursements shall be repaid by the Company on the date which is 12 months after the date following the respective disbursement, together with interest thereon.

Upon at least 10 business days' advance notice, UGV may elect that the Company repay any outstanding disbursement and its respective interest, or a portion thereof, by the issuance of shares of the Company, in lieu of repayment in cash. Subject to applicable regulatory requirements, including the approval of the Cboe Exchange Inc. ("Cboe"), the number of shares of the Company to be issued shall be calculated as the 15-day volume weighted average trading price ("VWAP") of the shares on the Cboe, prior to the applicable repayment date, less a 20% discount (the "Maximum Discount").

The Company determined that the Credit Facility contained an embedded derivative liability, and that the conversion feature does not qualify as equity as it does not satisfy the "fixed for fixed" requirement as the potential number of common shares to be issued is contingent on the exchange rate, and the discounted market price of the Company's common shares. Consequently, the conversion feature is classified as a derivative liability and measured at fair value.

On initial recognition, the derivative liability was calculated based on the Maximum Discount UGV would receive on conversion of the liability to shares of the Company. Under the Company's valuation methodology, the derivative continues to be revalued at each period end, and includes accrued interest that could be convertible into shares of the Company, based on the Maximum Discount.

In the event that the conversion discount that UGV could receive based on the Maximum Discount results in a conversion price per share that is in excess of the policies of the Cboe relating to maximum allowable discounts to the market price of the Company's shares at the time of conversion, the economic benefit to UGV would be less than the Maximum Discount or \$nil. Further, in the event that the market price of the Company's shares at the date of their issuance (upon conversion of any or all of the Credit Facility) is less than the price resulting from the Maximum Discount, the economic benefit to UGV would also be \$nil. Under such circumstances, the derivative component of the portion of the liability being settled for shares of the Company would be revalued based on the discount that was given, and if no discount was given, it would be revalued to \$nil.

#### Liability Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2023</b> | <b>\$</b> | <b>739,325</b> |
| Advances                          |           | 230,519        |
| Conversion to shares              |           | (332,191)      |
| Accretion and interest            |           | 32,645         |
| Foreign exchange                  |           | 15,196         |
| Translation adjustment            |           | (14,817)       |
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>670,677</b> |
| Advances                          |           | 64,755         |
| Settlement for sale of assets     |           | (66,936)       |
| Accretion and interest            |           | 68,710         |
| Translation adjustment            |           | (8,723)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>728,483</b> |



## Derivative Component

|                                   |                   |
|-----------------------------------|-------------------|
| <b>Balance, December 31, 2023</b> | <b>\$ 205,753</b> |
| Additions – principle             | 76,840            |
| Change in fair value              | (53,908)          |
| Translation adjustment            | (5,126)           |
| <b>Balance, December 31, 2024</b> | <b>\$ 223,559</b> |
| Additions – principle             | 21,585            |
| Settlement for sale of assets     | (22,939)          |
| Change in fair value              | 23,531            |
| Translation adjustment            | (2,908)           |
| <b>Balance, December 31, 2025</b> | <b>\$ 242,828</b> |

During the year ended December 31, 2025, the Company withdrew a total of \$86,340 (2024: \$307,359) from the Credit Facility. The conversion feature of the principal withdrawn during the year was determined, based on a market approach, to have a fair value of \$21,585 (2024: \$76,840) on initial recognition which was recorded as a derivative liability with the remaining balance allocated to the debt and amortized over the term.

On July 2, 2024, the Company issued 2,769,572 common shares of the Company to UGV, upon the conversion of \$332,191 (CAD\$448,671) in principal and accrued interest, at a price of \$0.12 (CAD\$0.162) per share. At the time of conversion, the derivative associated with the portion of the debt that was converted was remeasured. The amount of debt settled was provided no discount (the closing price of the Company's shares on June 14, 2024, the date of notice of conversion, was \$0.10 (CAD\$0.135), and therefore the derivative associated with that debt had a \$nil value. The remaining conversion feature continued to be measured at the 20% discount. The Company incurred \$5,110 in share issuance costs associated with the share issuance.

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, UGV, and Synbio Powerlabs Oy ("Synbio"), a related party, whereby the Company transferred equipment with a net book value of \$17,834 to Synbio in exchange for settlement of \$89,875 in principal amount of the Credit Facility. The Company recognized a gain of \$72,041 on the sale of the equipment. See Related Parties section.

During the year ended December 31, 2025, the Company recognized interest expense on the debt of \$68,710 (2024: \$32,645) and a change in fair value of the derivative of \$(23,531) (2024: \$53,908).

## Related Party Transactions

### *Transaction with controlling shareholder*

During the year ended December 31, 2025, the Company borrowed \$86,340 (2024: \$307,359) from UGV pursuant to the Credit Facility and settled \$89,875 (2024: \$nil) of the Credit Facility through the debt assignment and asset purchase agreement (see Convertible Debt section). Union is a significant shareholder in both the Company and Synbio. Further, Synbio is related to the Company, through common management

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(CEO of the Company (Alejandro Antalich is the Chairman of Synbio)). The sale value of the equipment was determined based on current market prices for the equipment.

During the year ended December 31, 2025, the Company issued nil common shares of the Company to UGV upon the conversion of \$nil (2024: issued 2,769,572 common shares of the Company to UGV upon the conversion of \$332,191 (CAD\$448,671)) of the Credit Facility (see Convertible Debt section).

***Transaction with key management personnel and directors***

During the year ended December 31, 2025, key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. Such key management personnel comprise of the Chief Executive Officer and Chief Financial Officer of the Company, in addition to its board of directors.

Compensation of key management is included in the consolidated statements of loss and comprehensive loss as follows:

| Type of Service          | Nature of Relationship                              | Twelve months ended December 31, |            |
|--------------------------|-----------------------------------------------------|----------------------------------|------------|
|                          |                                                     | 2025                             | 2024       |
| Management fees          | Alejandro Antalich (CEO)                            | \$ 144,132                       | \$ 145,089 |
| Management fees          | Oscar Leon (CFO)                                    | -                                | 15,028     |
| Director fees            | Ravi Sood, Ben Illigens, Scott Ackerman (Directors) | 51,698                           | 47,845     |
| Share-based compensation | Officers                                            | 13,620                           | -          |
|                          |                                                     | \$ 209,450                       | \$ 207,962 |

During the year ended December 31, 2025, the Company granted an aggregate of 6,200,000 stock options to officers (Alejandro Antalich and Scott Ackerman: 100,000 each), and consultants (Union Group International Holdings Limited ("UGIH") and Arvesa Corp. ("Arvesa"): 3,500,000 and 2,500,000, respectively) of the Company. UGIH and Arvesa are related to UGV, a significant shareholder of the Company. Aggregate share-based compensation expense relating to the options granted to UGIH and Arvesa amounted to \$408,605 (2024: \$nil).

The aggregate amount owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities at December 31, 2025 is \$374,272 (December 31, 2024: \$176,803). The amounts due to these related parties are non-interest bearing and have no fixed terms of repayment. The following table represents the amount due to directors and officers of the Company included in accounts payable and accrued liabilities:

| Type of Service                        | Nature of Relationship | December 31, |            |
|----------------------------------------|------------------------|--------------|------------|
|                                        |                        | 2025         | 2024       |
| Management fees                        | Alejandro Antalich     | \$ 200,151   | \$ 56,251  |
| Management fees                        | Oscar Leon             | 4,997        | 4,996      |
| Director fees                          | Ravi Sood              | 90,664       | 66,656     |
| Director fees                          | Ben Illigens           | 72,903       | 48,900     |
| Director fees                          | Scott Ackerman         | 3,998        | -          |
| Expenses paid on behalf of the Company | Scott Ackerman         | 1,559        | -          |
|                                        |                        | \$ 374,272   | \$ 176,803 |

During the year ended December 31, 2024, the Company's subsidiary, Mindcore, completed research and development work relating to fungal biotechnology and lab-scale bioprocessing for mycoproteins for consideration of \$12,300, for Eternal Bioworks Corp., a company which Alejandro Antalich is the chairman of (December 31, 2025: \$nil). As the work was completed on a one time basis, these fees were recorded as a recovery of research and development expenses on the statement of loss and comprehensive loss.

There were no other related party transactions during the years ended December 31, 2025 or December 31, 2024.

## **FINANCIAL INSTRUMENTS**

The Company's activities are exposed to a variety of financial risks in the normal course of the Company's business. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company's capital costs by using suitable means of financing and to manage and control the Company's financial risks effectively. The Company may use financial instruments to hedge certain risk exposures when deemed appropriate based on its internal management risk policies.

The Company's approach to the identification, assessment and mitigation of risk is carried out by the Board of Directors, which focuses on timely and appropriate management of risk. The Board of Directors has overall accountability for the identification and management of risk across the Company. The Board of Directors maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to management and those retained by the Board of Directors. The Board of Directors approves these delegated authorities and reviews them annually.

The principal financial risks arising from financial instruments are currency risk, liquidity risk, credit risk, interest rate risk, and price rate risk.

### **(a) Currency risk**

The Company's Financial Statements are presented in U.S. Dollars and may be affected by fluctuations in exchange rates. Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. As at December 31, 2025, the Company holds assets and liabilities in U.S. Dollars. At December 31, 2025, sensitivity to a plus or minus 5% change in the foreign exchange rate of the Canadian dollar compared to the U.S. dollar would affect net loss and comprehensive loss for the twelve months ended December 31, 2025 by \$76,979 with all other variables held constant (2024: \$95,917).

### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. As at December 31, 2025, the Company has liabilities of \$1,735,689 (December 31, 2024: \$1,341,353) due within twelve months and has \$36 (December 31, 2024: \$147) in cash to meet its current obligations. As such, liquidity risk is assessed as high.

(c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management's assessment of the Company's exposure to credit risk is low.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

(e) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

#### Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As at December 31, 2025, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, convertible debt, and derivative liability. Cash is classified as amortized cost. Accounts payable and accrued liabilities are also classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debt and derivative liability are recorded at fair value using Level 3.

## Changes in Accounting Policies and Future Pronouncements

### Recent accounting pronouncements

#### IFRS 18 Presentation and disclosure in financial statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which introduces:

- i. new requirements on presentation within the statement of profit or loss;
- ii. disclosure standards regarding management defined performance measures; and

- iii. principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027 but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

## **Critical Accounting Estimates and Judgements**

Critical accounting estimates are estimates made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

### **Share-based compensation**

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 \$422,225 for the twelve months ended December 31, 2025 (2024: \$nil).

### **Going concern**

The preparation of the Financial Statements requires management to make judgements regarding the going concern of the Company. As at December 31, 2025, the Company had a working capital deficit of \$1,735,653 (December 31, 2024: \$1,320,256). The Company remains dependent on external sources of financing until such time as it can internally generate sufficient income from its operations to service its on-going operating cost requirements.

### **Deferred income tax**

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

### **Fair value of derivative liability**

The convertible debt is considered to contain a derivative instrument due to the conversion option held by the lender, and the value of the debt being in U.S. dollars as compared to the Canadian functional currency of the Company. Estimating the fair value of the derivative requires judgement from management in

determining the appropriate valuation method and the inputs used in the model. Changes in input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

## **Disclosure controls and procedures**

Management's responsibility is to maintain 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, are responsible for designing and implementing disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, and for the design of 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 years ended December 31, 2024, and 2025, the Company identified certain deficiencies in the design and implementation of processes and controls regarding; a) the Financing Agreement, wherein the controls were inadequate to prevent or detect material errors in accounting treatment and disclosures, b) controls over the issuance of common shares of the Company, wherein the controls were inadequate to prevent the issuance of common shares without the required resolutions from the board of directors, and c) independence of the Company's audit committee, wherein the current composition of the audit committee did not conform to the corporate governance guidelines as established by the Cboe. Additionally, due to the limited staff within the Company, there was a general lack of segregation of duties within the Company.

Management of the Company is in the process of implementing additional internal controls and formal approval processes over the Company's financial reporting and its financial transactions in order to facilitate the timely and accurate preparation and reporting of financial results. The Company has engaged third-party accounting and administrative assistance in order to ensure proper internal control and formal approval processes, and has also appointed a new director who also serves as a member of its audit committee, to ensure proper independence on its audit committee.

### ***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.

### **Risk and Uncertainties**

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

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

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

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

As at December 31, 2025 the Company has an accumulated deficit of \$15,735,052 (December 31, 2024: \$14,884,640), cash of \$36 (December 31, 2024: \$147), and a working capital deficit of \$1,735,653 (December 31, 2024: \$1,320,256). Additionally, the Company incurred a net loss and comprehensive loss of \$857,686 during the year ended on December 31, 2025 (2024: \$212,478). 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 Financial 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 Financial Statements.

The Company is also currently subject to the Delisting Review of the Cboe (see Corporate Overview section).

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.sedarplus.ca](http://www.sedarplus.ca).

### **Off-Balance Sheet Arrangements**

The Company currently has no off-balance sheet arrangements.

### **Proposed Transactions**

No transactions are proposed at this time.

### **Additional information**

Additional information relating to the Company is available at [www.sedarplus.ca](http://www.sedarplus.ca).



## APPENDIX E

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED MARCH 31, 2026

**Biomind Labs Inc.**  
**Condensed Interim Consolidated Financial Statements**  
For the three months ended March 31, 2026 and 2025  
(Unaudited – Prepared by Management)  
(Expressed in US Dollars)

## **Biomind Labs Inc.**

### **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As at and for the three months ended March 31, 2026**

#### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The management of the Company is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**Biomind Labs Inc.**

Condensed Interim Consolidated Statements of Financial Position

(Expressed in US dollars)

(Unaudited – Prepared by Management)

As at

|                                                       | March 31,<br>2026  | December 31,<br>2025 |
|-------------------------------------------------------|--------------------|----------------------|
| <b>Assets</b>                                         |                    |                      |
| Current Assets                                        |                    |                      |
| Cash                                                  | \$ 14,387          | \$ 36                |
| <b>Total current assets</b>                           | <b>14,387</b>      | <b>36</b>            |
| <b>Total Assets</b>                                   | <b>\$ 14,387</b>   | <b>\$ 36</b>         |
| <b>Liabilities and Shareholders' Deficiency</b>       |                    |                      |
| Current Liabilities                                   |                    |                      |
| Accounts payable and accrued liabilities              | \$ 778,647         | \$ 764,378           |
| Convertible debt (Note 6)                             | 786,783            | 728,483              |
| Derivative liability (Note 6)                         | 262,260            | 242,828              |
| <b>Total Liabilities</b>                              | <b>1,827,690</b>   | <b>1,735,689</b>     |
| <b>Shareholders' Deficiency</b>                       |                    |                      |
| Share capital (Note 9)                                | \$ 11,446,853      | 11,446,853           |
| Reserves (Notes 9)                                    | 2,485,891          | 2,485,891            |
| Accumulated other comprehensive loss                  | 93,106             | 66,655               |
| Deficit                                               | (15,839,153)       | (15,735,052)         |
|                                                       | <b>(1,813,303)</b> | <b>(1,735,653)</b>   |
| <b>Total Liabilities and Shareholders' Deficiency</b> | <b>\$ 14,387</b>   | <b>\$ 36</b>         |

Formation of the Company, General information, and Going Concern (Note 1)

Approved on May 15, 2026 on behalf of the Board:

(s) Ravi Sood

Ravi Sood, Director

(s) Alejandro Antalich

Alejandro Antalich, CEO/Director

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

**Biomind Labs Inc.**

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in US dollars)

(Unaudited – Prepared by Management)

**For the three months ended March 31,**

|                                                                   | <b>2026</b>       | <b>2025</b>       |
|-------------------------------------------------------------------|-------------------|-------------------|
| <b>Expenses</b>                                                   |                   |                   |
| Depreciation (Note 8)                                             | \$ -              | \$ 2,230          |
| Foreign exchange loss                                             | -                 | 152               |
| General and administrative                                        | <b>6,700</b>      | 30,329            |
| Interest expense (Note 6, 7)                                      | <b>17,960</b>     | 17,604            |
| Management fees (Note 7)                                          | <b>54,206</b>     | 47,865            |
| Professional fees                                                 | <b>19,318</b>     | 34,757            |
|                                                                   | <b>\$ 98,184</b>  | <b>\$ 132,937</b> |
| Change in fair value of derivative liability (Note 6)             | <b>5,917</b>      | 5,869             |
| Gain on sale of equipment (Note 8)                                | -                 | (72,041)          |
| <b>Loss</b>                                                       | <b>(104,101)</b>  | (66,765)          |
| <b>Other comprehensive income</b>                                 |                   |                   |
| Currency translation adjustment                                   | <b>26,451</b>     | 4,589             |
| <b>Loss and comprehensive loss for the period</b>                 | <b>(77,650)</b>   | (62,176)          |
| Weighted average number of shares outstanding – Basic and Diluted | <b>77,571,773</b> | 77,571,773        |
| <b>Basic and diluted loss per share</b>                           | <b>\$ (0.001)</b> | <b>\$ (0.001)</b> |

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

**Biomind Labs Inc.**

## Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in US dollars)

(Unaudited – Prepared by Management)

For the periods ended March 31, 2026, and 2025

|                                   | Number of Common<br>Shares | Share capital        | Reserves            | Accumulated Other<br>Comprehensive<br>Income | Deficit                | Shareholders'<br>Deficiency |
|-----------------------------------|----------------------------|----------------------|---------------------|----------------------------------------------|------------------------|-----------------------------|
| <b>Balance, December 31, 2024</b> | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,063,666</b> | <b>\$ 73,929</b>                             | <b>\$ (14,884,640)</b> | <b>\$ (1,300,192)</b>       |
| Other comprehensive income (loss) | -                          | -                    | -                   | 4,589                                        | -                      | 4,589                       |
| Loss for the period               | -                          | -                    | -                   | -                                            | (66,765)               | (66,765)                    |
| <b>Balance, March 31, 2025</b>    | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,063,666</b> | <b>78,518</b>                                | <b>\$ (14,951,405)</b> | <b>\$ (1,362,368)</b>       |
| <b>Balance, December 31, 2025</b> | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,485,891</b> | <b>\$ 66,655</b>                             | <b>\$ (15,735,052)</b> | <b>\$ (1,735,653)</b>       |
| Other comprehensive income        | -                          | -                    | -                   | 26,451                                       | -                      | 26,451                      |
| Loss for the period               | -                          | -                    | -                   | -                                            | (104,101)              | (104,101)                   |
| <b>Balance, March 31, 2026</b>    | <b>77,571,773</b>          | <b>\$ 11,446,853</b> | <b>\$ 2,485,891</b> | <b>\$ 93,106</b>                             | <b>\$ (15,839,153)</b> | <b>\$ (1,813,303)</b>       |

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

**Biomind Labs Inc.**

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in US dollars)

(Unaudited – Prepared by Management)

|                                                                                               | For the three months ended March 31, |               |
|-----------------------------------------------------------------------------------------------|--------------------------------------|---------------|
|                                                                                               | 2026                                 | 2025          |
| <b>Cash flows from operating activities</b>                                                   |                                      |               |
| Loss for the period                                                                           | \$ (104,101)                         | \$ (66,765)   |
| Items not involving cash:                                                                     |                                      |               |
| Accrued interest on financial liabilities                                                     | 17,960                               | 17,604        |
| Change in fair value of derivative liability (Note 6)                                         | 5,917                                | 5,869         |
| Depreciation                                                                                  | -                                    | 2,230         |
| Foreign exchange loss                                                                         | -                                    | 152           |
| Gain on sale of fixed assets                                                                  | -                                    | (72,041)      |
| Change in non-cash operating working capital:                                                 |                                      |               |
| Accounts payable and accrued liabilities                                                      | 14,269                               | 113,407       |
| <b>Net cash used in operating activities</b>                                                  | <b>\$ (65,955)</b>                   | <b>\$ 456</b> |
| <b>Cash flows from financing activities:</b>                                                  |                                      |               |
| Proceeds from convertible debt (Note 6)                                                       | 70,953                               | -             |
| <b>Net cash used in financing activities</b>                                                  | <b>\$ 70,953</b>                     | <b>\$ -</b>   |
| <b>Effect of foreign exchange on cash</b>                                                     | <b>9,353</b>                         | <b>(455)</b>  |
| <b>Change in cash for the period</b>                                                          | <b>14,351</b>                        | <b>1</b>      |
| <b>Cash, beginning of the period</b>                                                          | <b>36</b>                            | <b>147</b>    |
| <b>Cash, end of the period</b>                                                                | <b>\$ 14,387</b>                     | <b>\$ 148</b> |
| <b>Supplemental cash flow information:</b>                                                    |                                      |               |
| Accounts payable paid with advances of convertible debt                                       | \$ 56,242                            | \$ 15,261     |
| Settlement of convertible debt and derivative liability in exchange for fixed assets (Note 6) | \$ -                                 | \$ 94,919     |

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

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **1. FORMATION OF THE COMPANY, GENERAL INFORMATION AND GOING CONCERN**

Biomind Labs Inc. (“Biomind” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on March 29, 2005, and on July 19, 2021, the Company continued into the Province of Ontario under the Business Corporations Act (Ontario). The Company’s head office is at 515 – 701 W. Georgia Street, Vancouver, British Columbia V7Y 1C6. The registered office of the Company is located at 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9. The common shares of the Company are traded on the Cboe Canada Inc. (“Cboe”) under the trading symbol “BMND”.

The Company is primarily engaged as a biotech platform with a special focus on scientific research, clinical trials and innovation, specifically in the area of developing novel drug therapies for certain neuropsychiatric and neurodegenerative diseases. The Company has insufficient working capital to proceed further with clinical trials for its drug candidates and therefore is currently focused on maintaining the intellectual property it has generated through its previous research and development programs.

As at March 31, 2026 the Company has an accumulated deficit of \$15,839,153, cash of \$14,387, and a working capital deficit of \$1,813,303. Additionally, the Company incurred a loss and comprehensive loss of \$77,650 during the period ended March 31, 2026. 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. These consolidated financial 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 these consolidated financial statements. Such adjustments could be material.

### **2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY DISCLOSURE INFORMATION**

#### **Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), specifically International Accounting Standard (“IAS”) 34 Interim Financial Reporting. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation of the Company’s audited annual consolidated financial statements for the year ended December 31, 2025.



# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY DISCLOSURE INFORMATION (continued)**

#### **Statement of compliance (continued)**

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed interim consolidated financial statements for the three months ended March 31, 2026 should be read together with the annual audited consolidated financial statements as at and for the year ended December 31, 2025, which are available on [www.sedarplus.ca](http://www.sedarplus.ca).

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in the notes to the annual consolidated financial statements as at and for the year ended December 31, 2025. These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 15, 2026.

#### **Basis of measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### **Principles of consolidation**

These condensed interim consolidated financial statements include accounts of the Company and the following subsidiaries:

| Name of Subsidiary                       | Country of Incorporation | Percentage Ownership |
|------------------------------------------|--------------------------|----------------------|
| Liverdome Development Inc. ("Liverdome") | British Virgin Islands   | 100%                 |
| Mindcore Labs Limited ("Mindcore")       | British Virgin Islands   | 100%                 |
| Biomind Labs Pesquisas Cientifcas Ltda.  | Brazil                   | 100%                 |
| Biomind Research Corp.                   | British Virgin Islands   | 100%                 |

Biomind Labs UK Limited (formerly a wholly owned subsidiary of the Company) was dissolved on July 23, 2024 on the basis that it was inactive and not required for the Company's operations going forward. In connection with the dissolution of Biomind Labs UK Limited, the Company recognized a recovery of trade

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY DISCLOSURE INFORMATION (continued)**

#### **Principals of consolidation (continued)**

payables of \$139,457. Under UK law, creditors of the company have the ability to have the entity re-established in order to file a lawsuit to try and recover the funds.

The condensed interim consolidated financial statements include the financial statements of the Company, and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

#### **Recent accounting pronouncements**

##### **IFRS 18 Presentation and disclosure in financial statements**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which introduces:

- i. new requirements on presentation within the statement of profit or loss;
- ii. disclosure standards regarding management defined performance measures; and
- iii. principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027 but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

In preparing these condensed interim consolidated financial 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.

The preparation of the condensed interim consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **3. CRITICAL ESTIMATES AND JUDGEMENTS (continued)**

of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

#### **(i) Share-based compensation**

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.

#### **(ii) Going concern**

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding availability for its operations and working capital requirements.

#### **(iii) Deferred income tax**

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

#### **(iv) Fair value of derivative liability**

The convertible debt (Note 6) is considered to contain a derivative instrument due to the conversion option held by the lender, and the value of the debt being in US dollars as compared to the Canadian functional currency of the Company. Estimating the fair value of the derivative requires judgement from management in determining the appropriate valuation method and the inputs used in the model. Changes in input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **4. CAPITAL MANAGEMENT**

The Company defines capital as consisting of shareholders' equity (deficiency) (comprised of issued share capital, share-based payment reserve, and deficit). The Company's objectives when managing capital are to support the Company's main activities of developing and commercializing its biotech platform, and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at March 31, 2026, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended March 31, 2026.

### **5. FINANCIAL INSTRUMENTS**

#### **Risk management principles and processes**

The Company's activities are exposed to a variety of financial risks in the normal course of the Company's business. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company's capital costs by using suitable means of financing and to manage and control the Company's financial risks effectively. The Company may use financial instruments to hedge certain risk exposures when deemed appropriate based on its internal management risk policies.

The Company's approach to the identification, assessment and mitigation of risk is carried out by the Board of Directors, which focuses on timely and appropriate management of risk. The Board of Directors has overall accountability for the identification and management of risk across the Company. The Board of Directors maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to management and those retained by the Board of Directors. The Board of Directors approves these delegated authorities and reviews them annually.

The principal financial risks arising from financial instruments are currency risk, liquidity risk, credit risk, interest rate risk, and price rate risk.

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **5. FINANCIAL INSTRUMENTS (continued)**

#### **Risk management principles and processes (continued)**

##### **(a) Currency risk**

The Company's condensed interim consolidated statements of cash flows, loss and comprehensive loss and financial position are presented in US Dollars and may be affected by fluctuations in exchange rates. Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. As at March 31, 2026, the Company holds assets and liabilities in US Dollars. At March 31, 2026, sensitivity to a plus or minus 5% change in the foreign exchange rate of the Canadian dollar compared to the US dollar would affect loss and comprehensive loss for the period ended March 31, 2026 by \$80,862 with all other variables held constant (2025 - \$41,268).

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. As at March 31, 2026, the Company has liabilities of \$1,827,690 (December 31, 2025: \$1,735,689) due within twelve months and has \$14,387 (December 31, 2025: \$36) in cash to meet its current obligations. As such, the Company is exposed to liquidity risk.

##### **(c) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management's assessment of the Company's exposure to credit risk is low.

##### **(d) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

##### **(e) Price rate risk**

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

# **Biomind Labs Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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### **5. FINANCIAL INSTRUMENTS (continued)**

#### **Risk management principles and processes (continued)**

##### **Fair Value Measurements**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to fair value measurement and unobservable (supported by little or no market activity).

As at March 31, 2026, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, convertible debt, and derivative liability. Cash is classified as amortized cost. Accounts payable and accrued liabilities, and convertible debt are also classified as amortized cost.

The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments. Derivative liability is recorded at fair value using Level 3.

### **6. CONVERTIBLE DEBT**

On November 14, 2022, Biomind entered into a financing agreement (the "Financing Agreement") with Union Group Ventures Limited ("UGV"), a subsidiary of a significant shareholder of the Company, pursuant to which UGV 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%. The expiry date of the Financing Agreement was subsequently extended to November 14, 2026. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

Disbursements shall be repaid by the Company on the date which is 12 months after the date following the respective disbursement, together with interest thereon.

Upon at least 10 business days' advance notice, UGV may elect that the Company repay any outstanding disbursement and its respective interest, or a portion thereof, by the issuance of shares of the Company, in lieu of repayment in cash. Subject to applicable regulatory requirements, including the approval of the Cboe, the number of shares of the Company to be issued shall be calculated as the 15-day volume weighted

## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars (\$))

(Unaudited – Prepared by Management)

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#### **6. CONVERTIBLE DEBT (continued)**

average trading price (“VWAP”) of the shares on the Cboe, prior to the applicable repayment date, less a 20% discount (the “Maximum Discount”).

The Company determined that the Credit Facility contained an embedded derivative liability, and that the conversion feature does not qualify as equity as it does not satisfy the “fixed for fixed” requirement as the potential number of common shares to be issued is contingent on the exchange rate, and the discounted market price of the Company’s common shares. Consequently, the conversion feature is classified as a derivative liability and measured at fair value.

On initial recognition, the derivative liability was calculated based on the Maximum Discount UGV would receive on conversion of the liability to shares of the Company. Under the Company’s valuation methodology, the derivative continues to be revalued at each period end and includes accrued interest that could be convertible into shares of the Company, based on the Maximum Discount.

In the event that the conversion discount that UGV could receive based on the Maximum Discount results in a conversion price per share that is in excess of the policies of the Cboe relating to maximum allowable discounts to the market price of the Company’s shares at the time of conversion, the economic benefit to UGV would be less than the Maximum Discount or \$nil. Further, in the event that the market price of the Company’s shares at the date of their issuance (upon conversion of any or all of the Credit Facility) is less than the price resulting from the Maximum Discount, the economic benefit to UGV would also be \$nil. Under such circumstances, the derivative component of the portion of the liability being settled for shares of the Company would be revalued based on the discount that was given, and if no discount was given, it would be revalued to \$nil.

#### Liability Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>670,677</b> |
| Advances                          |           | 64,755         |
| Settlement for sale of assets     |           | (66,936)       |
| Accretion and interest            |           | 68,710         |
| Translation adjustment            |           | (8,723)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>728,483</b> |
| Advances                          |           | 53,215         |
| Accretion and interest            |           | 17,960         |
| Translation adjustment            |           | (12,875)       |
| <b>Balance, March 31, 2026</b>    | <b>\$</b> | <b>786,783</b> |

## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars (\$))

(Unaudited – Prepared by Management)

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#### **6. CONVERTIBLE DEBT (continued)**

##### Derivative Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>223,559</b> |
| Additions – principle             |           | 21,585         |
| Settlement for sale of assets     |           | (22,939)       |
| Change in fair value              |           | 23,531         |
| Translation adjustment            |           | (2,908)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>242,828</b> |
| Additions – principle             |           | 17,738         |
| Change in fair value              |           | 5,917          |
| Translation adjustment            |           | (4,223)        |
| <b>Balance, March 31, 2026</b>    | <b>\$</b> | <b>262,260</b> |

During the period ended March 31, 2026, the Company withdrew a total of \$70,953 (2025: \$15,261) from the Credit Facility. The conversion feature of the principal withdrawn during the period was determined, based on a market approach, to have a fair value of \$17,738 (2025: \$3,815) on initial recognition which was recorded as a derivative liability with the remaining balance allocated to the debt and amortized over the term.

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, UGV, and Synbio Powerlabs Oy whereby the Company transferred equipment with a net book value of \$17,834 to Synbio Powerlabs Oy in exchange for settlement of \$89,875 in the principal under the Credit Facility. The Company recognized a gain of \$72,041 on the sale of the equipment (Note 7).

During the period ended March 31, 2026, the Company recognized an interest expense on the debt of \$17,960 (2025: \$17,604) and a change in fair value of the derivative of \$5,917 (2025: \$5,869).

#### **7. RELATED PARTY TRANSACTIONS AND BALANCES**

##### **Transaction with key management personnel and directors**

During the period ended March 31, 2026, key management personnel are defined as individuals having authority and responsibility for planning, directing and controlling the activities of the Company. Such key management personnel comprise of the Chief Executive Officer and Chief Financial Officer of the Company, in addition to its board of directors.



## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars (\$))

(Unaudited – Prepared by Management)

#### **7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

##### **Transaction with controlling shareholder**

During the period ended March 31, 2026, the Company borrowed \$70,953 (2025: \$15,261) from UGV pursuant to the Credit Facility, and settled \$nil (2025: \$89,875) of the Credit Facility through the debt assignment and asset purchase agreement (Note 6). Union is a significant shareholder in both the Company and Synbio Powerlabs Oy. Further, Synbio Powerlabs Oy is related to the Company, through common management (CEO of the Company, Alejandro Antalich is the Chairman of Synbio Powerlabs Oy).

Compensation of key management is included in the condensed interim consolidated statements of loss and comprehensive loss as follows:

| <b>Type of Service</b> | <b>Nature of Relationship</b>                       | <b>Three months ended March 31,</b> |                  |
|------------------------|-----------------------------------------------------|-------------------------------------|------------------|
|                        |                                                     | <b>2026</b>                         | <b>2025</b>      |
| Management fees        | Alejandro Antalich (CEO)                            | \$ 36,138                           | \$ 36,000        |
| Director fees          | Ravi Sood, Ben Illigens, Scott Ackerman (Directors) | 17,789                              | 12,000           |
|                        |                                                     | <b>\$ 53,927</b>                    | <b>\$ 48,000</b> |

The aggregate amount owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities at March 31, 2026 is \$426,640 (December 31, 2025: \$374,272). The amounts due to these related parties are non-interest bearing and have no fixed terms of repayment. The following table represents the amount due to directors and officers of the Company included in accounts payable and accrued liabilities:

| <b>Type of Service</b>                 | <b>Nature of Relationship</b> | <b>March 31,</b>  | <b>December 31,</b> |
|----------------------------------------|-------------------------------|-------------------|---------------------|
|                                        |                               | <b>2026</b>       | <b>2025</b>         |
| Management fees                        | Alejandro Antalich            | \$ 236,289        | \$ 200,151          |
| Management fees                        | Oscar Leon                    | 4,997             | 4,997               |
| Director fees                          | Ravi Sood                     | 96,593            | 90,664              |
| Director fees                          | Ben Illigens                  | 78,833            | 72,903              |
| Director fees                          | Scott Ackerman                | 9,928             | 3,998               |
| Expenses paid on behalf of the Company | Scott Ackerman                | -                 | 1,559               |
|                                        |                               | <b>\$ 426,640</b> | <b>\$ 374,272</b>   |

There were no other related party transactions during the periods ended March 31, 2026 or 2025.

## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars (\$))

(Unaudited – Prepared by Management)

#### **8. FIXED ASSETS**

##### **a) Fixed Assets**

|                                             |           | <b>Equipment</b> |
|---------------------------------------------|-----------|------------------|
| <b>Cost</b>                                 |           |                  |
| <b>December 31, 2023 and 2024</b>           | <b>\$</b> | <b>44,591</b>    |
| Sale of equipment                           |           | (44,591)         |
| <b>December 31, 2025 and March 31, 2026</b> |           | <b>-</b>         |
| <b>Accumulated depreciation</b>             |           |                  |
| <b>December 31, 2023</b>                    | <b>\$</b> | <b>15,607</b>    |
| Depreciation                                |           | 8,920            |
| <b>December 31, 2024</b>                    | <b>\$</b> | <b>24,527</b>    |
| Depreciation                                |           | 2,230            |
| Sale of equipment                           |           | (26,757)         |
| <b>December 31, 2025 and March 31, 2026</b> |           | <b>26,757</b>    |
| <b>Carrying amounts</b>                     |           |                  |
| December 31, 2023                           | \$        | 28,984           |
| December 31, 2024                           | \$        | 20,064           |
| <b>December 31, 2025 and March 31, 2026</b> | <b>\$</b> | <b>-</b>         |

On March 31, 2025, the Company settled \$89,875 of the principal amount of the Credit Facility pursuant to a debt settlement and asset purchase agreement. The Company recognized a gain of \$72,041 on the sale of the lab equipment (Notes 6, 7).

#### **9. SHAREHOLDERS' EQUITY**

##### **a) Authorized**

The Company is authorized to issue an unlimited number of common shares.

##### **b) Issued and Outstanding**

There were no common shares issued during the period ended March 31, 2026, or the year ended December 31, 2025. As at March 31, 2026, there were 77,571,773 common shares issued and outstanding (December 31, 2025: 77,571,773 common shares issued and outstanding).

## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars (\$))

(Unaudited – Prepared by Management)

#### **9. SHAREHOLDERS' EQUITY (continued)**

##### **c) Stock Options**

The Company has a 10% rolling stock option plan (the "Plan"), which was approved by shareholders of the Company on May 14, 2021, and re-approved on February 4, 2026. The Plan authorizes the board of directors, or a committee thereof, from time to time and at their discretion, to grant officers, directors, employees and consultants' options exercisable for common shares of the Company. The purpose of the Plan is to recognize the contributions made by the Plan's participants and to create an incentive for their continuing assistance. The aggregate number of common shares that may be issued pursuant to options and awards of incentive share options under the Plan may not exceed 10% of the number of common shares then issued and outstanding. Options granted can be exercised for a maximum of 10 years and vest as determined by the board of directors. The exercise price of each option is determined by the board of directors on the basis of the closing price of the common shares on the trading day prior to the grant, or the five-day volume weighted average trading price.

A summary of the Company's stock option activity is as follows:

|                                                          | <b>Number of<br/>Options</b> | <b>Weighted Average Exercise Price<br/>(CAD)</b> |
|----------------------------------------------------------|------------------------------|--------------------------------------------------|
| <b>Balance, December 31, 2024</b>                        | -                            | <b>\$-</b>                                       |
| Granted                                                  | 6,200,000                    | \$0.35                                           |
| <b>Balance, December 31, 2025 and March 31,<br/>2026</b> | <b>6,200,000</b>             | <b>\$0.35</b>                                    |

As at March 31, 2026, stock options outstanding and exercisable are as follows:

| Grant Date       | Number of<br>Options<br>Outstanding | Options<br>exercisable | Exercise<br>Price<br>(CAD) | Expiry Date      | Remaining<br>Contractual Life<br>(Years) |
|------------------|-------------------------------------|------------------------|----------------------------|------------------|------------------------------------------|
| December 3, 2025 | 6,200,000                           | 1,550,000              | \$0.35                     | December 3, 2030 | 4.68                                     |
| <b>Total</b>     | <b>6,200,000</b>                    | <b>1,550,000</b>       | <b>\$0.35</b>              |                  | <b>4.68</b>                              |

On December 3, 2025, the Company granted an aggregate of 6,200,000 stock options to officers, and consultants to the Company. The options have an exercise price of CAD\$0.35 per share, vest every six months over a period of two years, with the first vest on the date of grant, and expire on December 3, 2030.

## **Biomind Labs Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended March 31, 2026 and 2025

*(Expressed in US dollars (\$))*

*(Unaudited – Prepared by Management)*

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#### **9. SHAREHOLDERS' EQUITY (continued)**

##### **c) Stock Options (continued)**

The fair value of stock options at date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

|                                      | <b>December 31, 2025</b> |
|--------------------------------------|--------------------------|
| Weighted average share price (CAD\$) | \$0.35                   |
| Risk-free interest rate              | 2.80%                    |
| Expected life of option              | 5.00 years               |
| Expected annualized volatility       | 125%                     |
| Expected dividend rate               | Nil                      |

## APPENDIX F

INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE MONTHS ENDED  
MARCH 31, 2026



The next generation of pharma.

**BIOMIND LABS INC.**

**Management's Discussion and Analysis**

For the three month period ended March 31, 2026

Dated: May 15, 2026

## Management's Responsibility For Financial Reporting

This management's discussion & analysis (the "MD&A") has been prepared by management of Biomind Labs Inc. ("Biomind" or the "Company") and should be read in conjunction with Biomind's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2025 and the notes thereto, together with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 (collectively referred to as the "Financial Statements"), which may be viewed under the SEDAR+ profile of Biomind at [www.sedarplus.ca](http://www.sedarplus.ca). The Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Financial Statements and this MD&A have been approved by the Board of Directors of the Company and is prepared as at May 15, 2026.

All dollar amounts referred to in this MD&A are expressed in United States ("U.S.") dollars, which is the Company's 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, 2025 (the "Annual Information Form"), which may be viewed under the SEDAR+ profile of Biomind at [www.sedarplus.ca](http://www.sedarplus.ca), for risks that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein.*

*The Company has negative working capital, and is currently subject to a review of the Cboe's continued listing requirements. Achievement of the Company's business objectives and milestones is dependent, among other things, upon the Company's ability to secure sufficient working capital to carry out its business activities. 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<sup>1</sup>, 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

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<sup>1</sup> 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.



indications<sup>2</sup>. 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, and on July 19, 2021, the Company continued into the Province of Ontario under the Business Corporations Act (Ontario). The Company's head office is located at 515 – 701 W. Georgia Street, P.O. Box 10068 Pacific Centre, Vancouver, British Columbia V7Y 1C6 and its registered office is 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9.

The common shares in the capital of the Company commenced trading on the Cboe Canada Inc. (the "**Cboe**") on July 28, 2021 under the symbol "BMND". The Company's shares were cease traded on April 4, 2025 for failure to file the financial statements, corresponding management's discussion & analysis and officers' certificates, and annual information form for the year ended December 31, 2024 by the required filing deadline. While the cease trade order remained in effect, the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the three-month period ending March 31, 2025, Form 51-102F6 Statement of Executive Compensation, the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the six-month period ending June 30, 2025, and the interim unaudited financial statements, management's discussion & analysis and officers' certificates for the nine-month period ending September 30, 2025, came due on May 15, 2025, May 20, 2025, August 14, 2025, and November 14, 2025, respectively (collectively with the 2024 annual reporting requirements, the "**Continuous Disclosure Documents**"). The Continuous Disclosure Documents have been filed by the Company and are available on SEDAR+, and the Ontario Securities Commission revoked the April 4, 2025 cease trade order on November 25, 2025. Trading in the Company's shares resumed on December 1, 2025.

On March 5, 2026, the Cboe initiated a delisting review of the Company due to its non-compliance with Cboe's continuous listing requirements as set out in section 3.01(3) of Cboe's Listing Manual (the "**Delisting Review**"). The Company has been given until June 4, 2026 in order to submit and execute on a remediation plan that satisfactorily addresses all non-compliance matters (the Company is required to meet at least one of the following criteria: a) shareholder's equity of at least CAD\$2,500,000, b) net income from continuing operations of at least CAD\$375,000, c) market value of its listed securities of at least CAD\$25,000,000, or d) assets and revenue of at least CAD\$5,000,000 each). Absent satisfactory resolution of the non-compliance matters, the securities of the Company will be delisted at the conclusion of the review period (June 4, 2026).

The Company is working to resolve its non-compliance through completion of an equity financing.

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<sup>2</sup> 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.

### Significant Programs<sup>3</sup>

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 plans and milestones 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 cannot at this time accurately estimate the cost of bringing the Company’s DMT, 5-MeO-DMT, and Mescaline 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.

The Company has conducted 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 directly 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*

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<sup>3</sup> All quarter references in this section are based on calendar year-end.

*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*”.

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. The FDA requested toxicological studies to be carried out, which must be done prior to starting Phase I in the U.S. and/or Europe. Different laboratories are currently being evaluated where these studies can be carried out.<sup>4</sup>

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 will 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

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<sup>4</sup> 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.

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:

- 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<br><br>Inhaled route of administration: March 9, 2022                                                                                                                                                                                                                                          | Phase I/IIa – Investigational New Drug Clinical Trial completed. Further trials are currently on hold.           |
| BMND02         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold                     |
| BMND03         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies - Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND05         | In-vitro studies are not required to be approved by the IRB                                                                                                                                                                                                                                                                                           | R&D and <i>in vitro</i> studies – Investigational New Drug Clinical Trial, currently on hold.                    |
| BMND06         | Pre-Clinical trials are not required to be approved by the IRB<br><br>ANVISA approved the import of mescaline on August 25, 2022, to be used in the Pre-clinical – Commercial Clinical Trial.<br><br>ANVISA approved the release of the mescaline retained in Customs on October 6, 2022, to be used in the Pre-clinical – Commercial Clinical Trial. | Pre-clinical – Commercial Clinical Trial completed. Further trials are currently on hold.                        |
| BMND07         | Pre-Clinical trials are not required to be approved by the IRB                                                                                                                                                                                                                                                                                        | Pre-Clinical trial completed. Further trials are currently on hold.                                              |
| BMND08         | Received Argentinian IRB approval on May 26, 2022.                                                                                                                                                                                                                                                                                                    | Phases I/IIa – Investigational New Drug Clinical Trial completed. Further clinical trials are currently on hold. |

|  |                                                                                                                         |  |
|--|-------------------------------------------------------------------------------------------------------------------------|--|
|  | ANMAT approved the import of BMND08 on August 1, 2022 to be used in a 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.<sup>5</sup>

The Company currently has insufficient working capital to proceed with further trials, and therefore programs to advance the projects to commercialization are principally on hold while the Company continues efforts to secure appropriate funding.

The chart below provides a comparison of the Company's actual costs and timelines associated with its DMT, 5-MeO-DMT, and Mescaline programs to the disclosure in its management's discussion & analysis for the year ended December 31, 2025, dated March 31, 2026 (the "Q4 2026 MD&A").

| Objective                   | Milestone<br>(3) (4) (5) (6)                                                                                      | Estimated<br>Cost in the<br>Q4 2025<br>MD&A | Actual<br>Costs to<br>Date | Estimated<br>Timeframe<br>for<br>Completion<br>in the Q4<br>2025 MD&A | Estimated<br>or Actual<br>Completion<br>Periods | Current<br>Status |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------|-----------------------------------------------------------------------|-------------------------------------------------|-------------------|
| DMT Program<br>(BMND01) (1) | R&D focused<br>on the<br>development of<br>novel<br>formulations<br>and innovative<br>routes of<br>administration |                                             | \$96,780                   | Completed Q1<br>2022                                                  | Completed Q1<br>2022                            | Completed         |
|                             | R&D Activities<br>Phase I                                                                                         |                                             | \$1,137,237                | Completed Q3<br>2022                                                  | Completed Q3<br>2022                            | Completed         |

<sup>5</sup> 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.

**BIOMIND LABS INC.**  
**Management's Discussion and Analysis**  
**As at and for the three months ended March 31, 2026**

|                                           |                                                                                              |                    |                    |                                                                                                 |                                                                                                 |                   |
|-------------------------------------------|----------------------------------------------------------------------------------------------|--------------------|--------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------|
|                                           | Phase IIa                                                                                    |                    | \$-                | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | Completed Part I of Phase II in 2022. Part II of Phase II cancelled in order to focus on BMND08 | On hold           |
| DMT Program (BMND07) <sup>(1)</sup>       | Pre-Clinical                                                                                 |                    | \$82,896           | Completed Q3 2021                                                                               | Completed Q3 2021                                                                               | Completed         |
| <b>Total – DMT Program</b>                |                                                                                              | <b>\$1,136,419</b> | <b>\$1,316,913</b> |                                                                                                 |                                                                                                 |                   |
| 5-MeO-DMT Program (BMND08) <sup>(2)</sup> | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$228,215          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Phase I                                                                       |                    | \$602,353          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | R&D Activities Phase IIa                                                                     |                    |                    | Completed Q1 2024                                                                               | Completed Q1 2024                                                                               | Completed         |
|                                           | Breakthrough Therapy Designation (BTD) with the FDA <sup>(7)</sup>                           |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | EMA and MHRA engagement <sup>(7)</sup>                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Develop manufacturing scalability <sup>(7)</sup>                                             |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – 5-MeO-DMT Program</b>          |                                                                                              | <b>\$650,074</b>   | <b>\$830,568</b>   |                                                                                                 |                                                                                                 |                   |
| Mescaline Program (BMND06)                | R&D focused on the development of novel formulations and innovative routes of administration |                    | \$163,906          | Completed Q4 2022                                                                               | Completed Q4 2022                                                                               | Completed         |
|                                           | R&D Activities Pre-Clinical studies                                                          |                    | \$475,693          | Completed Q3 2023                                                                               | Completed Q3 2023                                                                               | Completed         |
|                                           | Phase I <sup>(7)</sup>                                                                       |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
|                                           | Phase IIa <sup>(7)</sup>                                                                     |                    | \$-                | Undetermined                                                                                    | Undetermined                                                                                    | Currently on hold |
| <b>Total – Mescaline Program</b>          |                                                                                              | <b>\$459,105</b>   | <b>\$639,599</b>   |                                                                                                 |                                                                                                 |                   |

**Notes:**

(1) The Company strategically designated BMND01 as its lead candidate for advancement to Commercial Clinical

- |     |                                                                                                                                                                                                                                                                                                                                      |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     | Trials, redirecting available resources from BMND07 to focus on BMND01's potential.                                                                                                                                                                                                                                                  |
| (2) | The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-DMT. The strategic decision underscores the market opportunity represented by the targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation. |
| (3) | There may be circumstances where for sound business reasons the Company reallocates the funds or determines to not proceed with a milestone.                                                                                                                                                                                         |
| (4) | Subject to receipt of all necessary regulatory approvals.                                                                                                                                                                                                                                                                            |
| (5) | Further, there is no assurance that such studies will advance to Commercial Clinical Trials at all.                                                                                                                                                                                                                                  |
| (6) | The Company is still evaluating the jurisdiction where it shall conduct the Commercial Clinical Trials; this could be the U.S., the UK or any other country of the European Union.                                                                                                                                                   |
| (7) | The continuation of these trials is subject to the raising of funds by the Company.                                                                                                                                                                                                                                                  |

On the basis of the positive results from the trials for BMND08 and BMND01, given the Company's limited financial resources, its current focus is on advancing BMND08 as its first priority under the 5-MeO-DMT program, and then on BMND01 under the DMT program. In order to make any significant progress with these programs, the Company will be required to secure additional capital.

Subject to the availability of additional funding over and above the capital required to advance its BMND08 and BMND01 programs, the Company would also recommence the programs relating to BMND02, BMND03, BMND05, and BMND07 by conducting further studies, the results of which would determine whether it is worth proceeding to a clinical phase for those programs.

### **DMT Program**

DMT is a serotonergic psychedelic that exerts its effects through serotonergic receptors in the brain including 5-HT<sub>2A</sub>, 5-HT<sub>1A</sub>, 5-HT<sub>2C</sub> and 5-HT<sub>7</sub> receptors, among others. Because the effects of DMT do not last very long, it becomes a good candidate to treat Treatment-Resistant Depression ("TRD")<sup>6</sup>. DMT effects are thought to be principally mediated through activation of 5HT<sub>2A</sub>R 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<sup>7</sup>.

The Company has 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 has conducted Investigational New Drug Clinical Trials on three of 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 received authorization from the IRB and commenced its two Investigational New

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<sup>6</sup> 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.

<sup>7</sup> 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.

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. These Investigational New Drug Clinical Trials were developed by the Company’s neuroscientist Dr. Draulio Barros de Araujo and were 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 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](http://www.clinicaltrials.gov) (NCT05573568). On November 04, 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. The trial has involved a dose exploration schedule ranging from 5 to 100 mg. No volunteer presented serious adverse events or clinical risk to the 11 different doses tested. These successful first results bring strong potential for the next phase of the trial, which will address patients suffering from TRD.

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. BMND01 is its lead candidate for progression to Commercial Clinical Trials, over BMND07.

Due to the COVID-19 pandemic, the Company experienced certain temporary 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 were allocated for studies related to COVID-19 and, as a result of COVID-19, related suppliers 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 the 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 PIND file for the Company, the PIND number assigned was 163758. On September 23, 2022, the Company submitted its briefing package to the FDA.

On October 25, 2022, the FDA provided its written response opinion, granting the Company IND clearance related to the NCE Triptax™. The proposed IND-opening study in the U.S. will be a Phase I safety, tolerability, and Pharmacokinetics (“PK”) study. Subjects will receive Triptax™ in two dosing sessions, a low-dose and an intermediate-dose in a fixed order, with specific doses determined based on the results of the Phase I Investigational New Drug Clinical Trial study conducted in Brazil. With this IND clearance, subject to availability of sufficient working capital, the Company is now in a strong position to advance in the clinical pipeline targeting depression, specifically, TRD. As part of the Company’s diversified go-to-market strategy, the NCE Triptax™ opens a new avenue to be considered by traditional pharma companies, since it could be used as an active pharmaceutical ingredient or as a chemical precursor, depending on the selected route of administration and physicochemical characteristics. For submission of the dossier to the



FDA, the Company relied on the results of the Phase I clinical trial for BMND01. Based on those results, the Company strategically designated BMND01 as its lead candidate for advancement to Commercial Clinical Trials, redirecting available resources from BMND07 to focus on BMND01's potential.

On March 31, 2023, the Company announced that it successfully completed the optimization of a new extraction method to increase the purity and yield of DMT. This method can be scalable to potentially reach an affordable and environmentally friendly production of the NCE Triptax™ in compliance with Good Manufacturing Practices, as is required by the pharmaceutical industry. Through this optimized process, the DMT crystals obtained could be used as an API or as a chemical precursor of the Company's novel formulations.

In March 2024, the Company published the results of the Phase I trial of its novel drug candidate BMND01 for TRD in the journal *European Neuropsychopharmacology* (DOI: 10.1016/j.euroneuro.2023.12.006). The title of the article is: "Safety and tolerability of inhaled N, N-Dimethyltryptamine (BMND01 candidate): A phase I clinical trial".

As of March 31, 2026, the Company has spent approximately \$1,316,913 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.<sup>8</sup>

Under the 5-MeO-DMT Program, the Company is working on two drug candidates<sup>9</sup>:

- 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.<sup>10</sup> 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.

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<sup>8</sup> 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>.

<sup>9</sup> 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.

<sup>10</sup> 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.

The prototype formulations of synthetic 5-MeO-DMT were ready in Q1 2022.

The Company prioritized BMND08 as its lead candidate for advancement to Commercial Clinical Trials relating to 5-MeO-DMT. The strategic decision underscores the market opportunity represented by the targeted patient population and reinforces the Company's commitment to delivering long-term value through focused innovation.

On May 24, 2022, the Company entered into a research and development contract with Hadasit Medical Research Services and Development Ltd.<sup>11</sup>, Israel, to test the potential antidepressant benefit of an alternative 5-MeO-DMT dose schedule in the Company's BMND08 formulation. The research (results remain pending due to the Company's financial constraints) was led by Professor Dr. Bernard Lerer, Director of the Hadassah BrainLabs, Knowledge Center for Research on Brain Diseases.

On May 26, 2022, the Company announced that it received authorization from the Argentinian IRB for a Phase II Investigational New Drug 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 ("CUC") and the Dr. Marcial Quiroga Hospital (the "DMQH"), in Argentina. This Investigational New Drug Clinical Trial was conducted by Neuroscientist Dr. Martin Bruno and a highly professional interdisciplinary medical team. DMQH has more than a hundred patients with the targeted disease which allows the Company to shorten the time required to commence the Phase II clinical trial.

On December 28, 2022, the Company announced that it successfully completed the development of a novel sublingual formulation to be used in the Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. The sublingual route of administration addresses many pharmaceutical and patient needs, highlighting convenient dosing for geriatric and psychiatric uncooperative patients with dysphagia (difficulty in swallowing). Sublingual administration presents several advantages over oral formulations such as quick absorption, predictable potency, reduced interaction with other medications and foods, and ease of administration.

In March 2023, DMQH received the novel sublingual formulation developed by the Company to be used in the Investigational New Drug Clinical Trial on its BMND08 candidate.

On April 25, 2023, the Company announced that it commenced the Investigational New Drug Clinical Trial for its proprietary 5-MeO-DMT-based BMND08 candidate. This successful trial was led by the Company's Clinical Advisor, Neuroscientist Dr. Martín Bruno. The Investigational New Drug Clinical Trial, a double-blind, randomized, placebo-controlled, repeated single dose trial, included 40 subjects (50-75 years old).

In June 2023, the Company received a preliminary report with very promising results regarding the formulation and its safety in healthy volunteers ("HV").

On September 14, 2023, the Company announced that it successfully completed the organic synthesis scheme of 5-MeO-DMT. This organic synthesis enables the efficient production of 5-MeO-DMT freebase. This process ensures high purity and maintains the compound's integrity, making it suitable for pharmaceutical applications.

In December 2023, the Company received a preliminary report with very promising results regarding the sublingual formulation in patients with depression and anxiety.

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<sup>11</sup> Hadasit is a wholly owned subsidiary of Hadassah Medical Organization ("HMO").

On March 01, 2024, the Company announced unprecedented positive results of Phase II Investigational New Drug Clinical Trial for its BMND08 candidate for the potential treatment of depression and anxiety in Alzheimer's disease. This critical milestone allowed the Company to determine the optimal therapeutic dose for depression and anxiety, ensuring both safety and effectiveness. Patients in various groups, including those with depression and anxiety, were administered BMND08 to assess its impact on symptom reduction. Notably, the trial demonstrated significant improvements in depression, anxiety and stress, and scores compared to the placebo group, highlighting BMND08's therapeutic potential. In addition to addressing mood disorders, BMND08 exhibited promising effects on cognitive function. Participants receiving BMND08 showed notable enhancements in executive functions, particularly in processing speed, suggesting broader implications for cognitive decline associated with MCI.

In December 2024, the Company registered both trials on [www.clinicaltrials.gov](http://www.clinicaltrials.gov). The first was titled "Safety, Tolerability, and Efficacy of Sublingual Microdoses of 5-MeO-DMT for Depression and Anxiety (5-MeO-DMT)" ([NCT06816667](https://clinicaltrials.gov/ct2/show/study/NCT06816667)) and the second was titled "Efficacy of Sublingual 5-MeO-DMT for Reducing Anxiety and Depression in MCI (5-MeO-DMT)" ([NCT06812221](https://clinicaltrials.gov/ct2/show/study/NCT06812221)).

In July 2025, the Company published the results of the Phase I trial of its novel drug candidate BMND08 for depression and anxiety in the journal *Neuropsychopharmacology* (DOI: <https://doi.org/10.1038/s41386-025-02167-3>). The title of the article is: "Safety and tolerability of multiple sublingual microdoses of 5-MeO-DMT in adults with moderate symptoms of depression and/or anxiety: a randomized, double-blind, placebo-controlled study".

On December 3, 2025, the Company announced advancements in the development of BMND08, transitioning the program on BMND08 into FDA-directed activities using the Company's nano-formulation drug-delivery platform, which is designed to support commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

As of March 31, 2026, the Company has spent \$830,568 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-HT<sub>2A</sub> receptor with high affinity.<sup>12</sup>

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

- BMND06: Mescaline novel formulation indicated for inflammatory disorders.

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<sup>12</sup> 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.

Mescaline is difficult to produce via chemical synthesis. As such, the Company has entered into an exclusive agreement with a biotechnological company specializing 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 completed the biological synthesis of mescaline precursors in Q2 2022.

The Company 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 conducted the first Pre-Clinical trial for BMND06 for the Company.

ANVISA approved the import of mescaline on August 25, 2022, and the release of the mescaline retained in Customs on October 06, 2022, to be used in the Pre-clinical – Commercial Clinical Trial. The Pre-Clinical trial started in Q4 2022 and finished in Q4 2023.

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 – Commercial Clinical Trial.<sup>13</sup>

In August 2023, the Company received the final report related to *in vitro* cytotoxicity and expression studies of mescaline. The preclinical mutagenicity AMES test for mescaline has shown an excellent safety profile, the results confirmed that it is not mutagenic at high doses. As a promising anti-inflammatory compound, mescaline has shown relevant profile through *in vitro* assays, showing that it has four times more potency as an anti-inflammatory than dexamethasone, a glucocorticoid medication used to treat rheumatic problems.

In November 2023, the Company received the final report related to acute and chronic toxicity of mescaline in Wistar rats. In both intravenous and oral administration, mescaline showed temporary and mild effects on behaviour as soon as it was administered but showed no signs of toxicity in any of the studies carried out. Furthermore, mescaline did not induce chromosomal damage or genetic mutations in the genotoxicity tests.

On July 19, 2024, the Company announced the decision to advance a new Phase II clinical trial in humans, focusing on obesity. This decision followed new and unexpected findings from a pre-clinical study of its proprietary compound 3,4,5-trimethoxyphenethylamine-based BMND06. The toxicological studies reveal that the BMND06 candidate is physiologically safe, exhibiting low acute and chronic oral toxicity with no mutagenic effects. The primary objective was to establish a starting safe dose for the first-in-human trial and evaluate the potential toxicity of BMND06. In addition to *in vivo* studies, *in vitro* assays surprisingly demonstrated that BMND06 significantly reduces LPS (lipopolysaccharide)-induced IL-6 (interleukin-6) levels in various colon cancer cell lines, outperforming dexamethasone-a commonly used anti-inflammatory corticosteroid-by fivefold in reducing IL-6 induction caused by LPS.

As of March 31, 2026, the Company has spent \$639,599 on Investigational New Drug Clinical Trials and R&D under the Mescaline Program.

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<sup>13</sup> 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.

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.

### **Research and Development: Formulations and Drug Delivery Systems**

Mindcore's<sup>14</sup> operations in Uruguay housed 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 has leveraged 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 is being led by Professor Ryan Donnelly, a world leader in the research of microneedle delivery technologies. On September 27, 2022, the Company and QUB have received Controlled Substances License from the United Kingdom Regulator to commence the eight-month project. On October 4, 2022, the Queen's scientific team started activities related to the project. The project is on hold.

On August 10, 2022, the Company entered into a R&D agreement with MIXI, a service provider from The Nuclear Research Center of University of Republic ("UdelaR"), Uruguay, related to *in vitro* cytotoxicity and expression studies of one of the Company's molecules. The project is completed.

### **Operations**

Liverdome's<sup>15</sup> 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

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<sup>14</sup> Biomind Research has three wholly owned subsidiaries, Liverdome Development Inc. (BVI) ("Liverdome"), formed under the BVI Act on December 23, 2020, Mindcore Labs Limited (BVI) ("Mindcore"), formed under the BVI Act on November 9, 2020 and Biomind Labs Pesquisas Científicas Ltda. (Brazil) ("BLP"), formed under the Brazilian Corporation Law (no. 6.404 of December 15, 1976) on June 23, 2021.

<sup>15</sup> See footnote 14.

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 have been 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 and subject to the availability of sufficient working capital, 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 the third party maintains a 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 is 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 applied for, and has 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 have been performed in Brazil. The Company has entered into an agreement with the UFRN, which has a special authorization from 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 have been 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 applied for, and has 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, which, together with the Company, worked on the pre-IND meeting request letters and prepared the regulatory IND briefing packages to be filed with the FDA for the purpose of Commercial Clinical Trials. These regulatory filings sought FDA approval and guidance to initiate future in-human clinical studies. The pre-IND meetings provided the Company with the opportunity to meet with the FDA to discuss the Company's programs and enhance the completeness of the IND application submissions.

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 assisted in matters related to the Company's pre-IND meetings and INDs.

On September 5, 2022, the Company signed a confidential agreement with Salamandra, a specialized consulting firm providing strategic, technical and regulatory support for the pharmaceutical and medical device industry, located in Maryland, U.S. Salamandra provided regulatory support for the Company's pre-IND meetings and INDs.

On December 9, 2022, the Company signed a confidential agreement with Gaea OÜ, a full-service CRO, located in Tallin, Estonia. Gaea OÜ is providing technical and regulatory support for the Company's trials to be run in Europe.

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 has advanced on the product chemistry, manufacturing and controls and 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, has also continued the work required 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 was submitted in Q3 2022. The Company is also presently rehearsing internally, and will continue to do so, to ensure clarity on the roles and responsibilities of various attendees at the anticipated meeting and to help ensure a smooth meeting flow.



- Once the meeting request has been submitted, the FDA will decide whether to grant or deny the request and to determine the appropriate format for an approved meeting. Within 21 days of the meeting request the FDA will contact the Company to indicate meeting format and to schedule the meeting within 60 days of the initial request.
- 30 days prior to the meeting, the Company will submit a document with finalized questions and information requests to the FDA that they wish to have answered or discussed 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.<sup>16</sup>
- 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 ensure that research subjects will not be subjected to unreasonable risk. The FDA may request additional information or clarification of details contained in the Company's IND application that the Company would aim to resolve in a timely fashion.
- If and when the Company receives notification from the FDA that it is safe to proceed with any planned clinical study (typically received via phone or email and subsequently followed by an official "safe to proceed" letter), the Company's IND would be considered "active".

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<sup>16</sup> See footnote 19.

- 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**

### ***Trademarks***

The Company has filed applications for registration of two trademarks including Biomind™, and Triptax™.

The trademark Biomind™ was registered on December 15, 2023, under Registration No. TMA1214348 in association with all the services set out in the trademark certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before December 15, 2033.

The trademark Triptax™ was registered on May 9, 2025, under Registration No. TMA1311933 in association with the pharmaceutical preparations set out in the trademark certificate. The registration is granted for an initial period of ten years, after which it may be renewed for further periods of ten years. The first renewal will be due on or before May 9, 2035.

### ***Patents***

As of the date of this MD&A, the Company has 2 patent applications as detailed in the table below.

|   | <b>Title</b>                                                                                                                                   | <b>Jurisdiction of Filing</b>       | <b>Status</b>       |
|---|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|
| 1 | Encapsulated microparticles and nanoparticles of dimethyltryptamine<br><b>EP 21218287.7</b><br><b>Publication Number: EP 4 159 201</b>         | EPO: European Patent Office (Spain) | Published (Pending) |
| 2 | Encapsulated microparticles and nanoparticles of dimethyltryptamine.<br><b>PCT/CA2022/051451</b><br><b>Publication Number: US 2024/0408063</b> | USPTO: US                           | Published (Pending) |

The Paris Convention Treaty (the "PCT") facilitates filing for patent recognition in multiple jurisdictions simultaneously using a single uniform patent application. A total of 193 countries, including Canada and the United States, have ratified the PCT. Ultimately, patents are still granted in each country individually. As such, the PCT procedure consists of two phases: filing of an international application, and national evaluation under the patent laws in force in each country where a patent is sought. Within 12 months of filing a provisional patent application at the United States Patent and Trademark Office, the Company may elect to file a regular utility patent application in the United States in tandem with filing a PCT application with the World Intellectual Property Office, in each case claiming priority to the provisional patent application. Within 30 months of the provisional filing date, deadlines begin for a PCT application to enter

the national phase in desired jurisdictions globally, such as Canada (30 months) and Europe (31 months), in each case claiming priority to the provisional patent application.

Related to the PCT-patent applications, the Company received the Written Opinion of the International Searching Authority (“**ISR**”) from the International Preliminary Examining Authority (“**IPEA**”) for the application PCT/CA2022/051451, submitted by the Company. In view of the prior art cited, the invention appears to be novel, involves an inventive step, and has industrial application, the three requirements to grant a patent. On June 24, 2022, the Company received the European Search Report (“**ESR**”) from the European Patent Office (“**EPO**”) for some of the applications 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.<sup>17</sup>

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

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<sup>17</sup> 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”.

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.<sup>18</sup>

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:<sup>19</sup> "There is no scientific evidence to guarantee the safety of the therapeutic use of ibogaine, as it is a substance with reported serious risks, including sudden death. There is no ANVISA regulation for the commercialization of ibogaine as a medicine, being its offer and commercialization prohibited and subject to complaints. Clinical trials with medicines in Brazil are regulated by RDC 9/2015."

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*<sup>20</sup>) 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,<sup>21</sup> 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

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<sup>18</sup> <https://www.gov.br/anvisa/pt-br/assuntos/noticias-anvisa/2018/tratamentos-com-ibogaina-nao-estao-regulamentados>

<sup>19</sup> <http://mds.gov.br/obid/artigos/governo-federal-desaprova-a-utilizacao-de-ibogaina-no-tratamento-da-dependencia-quimica>

<sup>20</sup> Representative Organization of Clinical Research.

<sup>21</sup> Such as storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs.

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 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, which are conducted by the UFRN and Raras, that have all the necessary licenses to operate the active clinical trials.

### ***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 will have to fill out online information regarding, among other things, its activity, representatives, types of

substances to be handled, and information about the location where the activity shall be developed. The CSD shall respond to the registration either by 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 have been 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, which 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 optimize the 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.<sup>22</sup>

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.<sup>23</sup>

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

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<sup>22</sup> 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](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).

<sup>23</sup> 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf).

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, U.S., 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 U.S., Brazil or Uruguay).

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 it will 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 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 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 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 Annual Information<sup>1</sup>

|                                         | For the year ended<br>December 31, 2025 | For the year ended<br>December 31, 2024 | For the year ended<br>December 31, 2023 |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Loss and comprehensive loss:            |                                         |                                         |                                         |
| (i) total for the year                  | \$857,686                               | \$212,478                               | \$1,191,965                             |
| (ii) loss per share – basic and diluted | \$0.01                                  | \$0.003                                 | \$0.02                                  |
| Total assets                            | \$36                                    | \$41,161                                | \$74,199                                |
| Total current liabilities               | \$1,735,689                             | \$1,341,353                             | \$1,506,319                             |
| Total long-term financial liabilities   | \$nil                                   | \$nil                                   | \$nil                                   |

<sup>1</sup> Audited financial information prepared in accordance with International Financial Reporting Standards ("IFRS").

## Selected Quarterly Information<sup>1</sup>

The following table sets out selected quarterly information for the eight most recently completed fiscal quarters of the Company up to March 31, 2026:

| Three months ended,                           | March<br>31, 2026 | December<br>31, 2025 | September<br>30, 2025 | June 30,<br>2025 | March<br>31, 2025 | December<br>31, 2024 | September<br>30, 2024 | June 30,<br>2024 |
|-----------------------------------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|
|                                               | \$                | \$                   | \$                    | \$               | \$                | \$                   | \$                    | \$               |
| Total revenue                                 | -                 | -                    | -                     | -                | -                 | -                    | -                     | -                |
| Income (loss) and comprehensive income (loss) | (77,650)          | (597,855)            | (61,210)              | (136,445)        | (62,176)          | 200,182              | 2,831                 | (212,058)        |
| Basic and diluted net income (loss) per share | (0.001)           | (0.008)              | (0.001)               | (0.002)          | (0.001)           | 0.002                | 0.000                 | (0.003)          |

<sup>1</sup> Unaudited financial information prepared in accordance IFRS

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. The significant increase in loss and comprehensive loss for the fourth quarter ended December 31, 2025 principally to share-based compensation expense related to incentive stock options granted and vested during the period.

## Results of Operations

### For the three months ended March 31, 2026 compared to the three months ended March 31, 2025

The following is a summary of; the Financial Statements for the three months ended March 31, 2026 compared to the three months ended March 31, 2025; and the Company's financial position as at March 31, 2026 compared to December 31, 2025:

|                                                                         | <b>For the three months ended<br/>March 31,</b> |                    |
|-------------------------------------------------------------------------|-------------------------------------------------|--------------------|
|                                                                         | <b>2026</b>                                     | <b>2025</b>        |
| <b>Expenses</b>                                                         |                                                 |                    |
| Depreciation                                                            | \$ -                                            | \$ 2,230           |
| Foreign exchange loss                                                   | -                                               | 152                |
| General and administrative                                              | <b>6,700</b>                                    | 30,329             |
| Interest expense                                                        | <b>17,960</b>                                   | 17,604             |
| Management fees                                                         | <b>54,206</b>                                   | 47,865             |
| Professional fees                                                       | <b>19,318</b>                                   | 34,757             |
|                                                                         | <b>\$ 98,184</b>                                | <b>\$ 132,937</b>  |
| Change in fair value of derivative liability                            | <b>5,917</b>                                    | 5,869              |
| Gain on sale of equipment                                               | -                                               | (72,041)           |
| <b>Loss</b>                                                             | <b>\$ (104,101)</b>                             | <b>\$ (66,765)</b> |
| <b>Other comprehensive income (loss)</b>                                |                                                 |                    |
| Currency translation adjustment                                         | <b>26,451</b>                                   | 4,589              |
| <b>Income (loss) and comprehensive income<br/>(loss) for the period</b> | <b>\$ (77,650)</b>                              | <b>\$ (62,176)</b> |

| <b>Financial Position as at</b>   | <b>March 31, 2026</b> | <b>December 31, 2025</b> |
|-----------------------------------|-----------------------|--------------------------|
| Cash                              | <b>\$14,387</b>       | \$36                     |
| Total assets                      | <b>\$14,387</b>       | \$36                     |
| Total liabilities                 | <b>\$1,827,690</b>    | \$1,735,689              |
| Shareholders' equity (deficiency) | <b>\$(1,813,303)</b>  | \$(1,735,653)            |
| Number of shares outstanding      | <b>77,571,773</b>     | 77,571,773               |

### ***Results of Operations Analysis***

The Company's operating results reflect (i) changes in the value of the Company's assets; and (ii) the expenses required to deploy and manage the Company's invested capital.

| Line Item                                    | Variance and explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depreciation                                 | Expenses of \$nil for the three months ended March 31, 2026 (2025 - \$2,230), are due to the depreciation of the equipment bought in December 2021. As of March 31, 2025, all equipment was fully depreciated. On March 31, 2025, the Company sold all of its equipment as it was no longer needed for the Company's operations.                                                                                                                                                                                                   |
| Foreign exchange loss                        | Foreign exchange loss was \$nil for the three months ended March 31, 2026 (2025 - \$152). The Company operates in multiple jurisdictions and is exposed to foreign currency fluctuations. Due to significantly reduced activity in the Company's foreign subsidiaries, foreign exchange loss was insignificant in both periods.                                                                                                                                                                                                    |
| General administrative and                   | Expenses of \$6,700 for the three months ended March 31, 2026 (2025 - \$30,329) are primarily due to filing fees (transfer agent, Cboe, SEDAR+, and news release dissemination fees) that were incurred. The \$26,329 decrease in general & administrative costs for the three months ended March 31, 2026, as compared to the same period in 2025 primarily related to the accrual of annual SEDAR+ filing fees in the quarter ended December 31, 2025.                                                                           |
| Interest expense                             | Expense of \$17,960 for the three months ended March 31, 2026 (2025 - \$17,604) is due to the financing liability due to a significant shareholder of the Company, and remained consistent quarter over quarter. See Convertible Debt section for details of period over period interest changes in the credit facility.                                                                                                                                                                                                           |
| Management fees                              | Expenses of \$54,206 for the three months ended March 31, 2026 (2025 - \$47,865) are due to fees charged by the CEO, and directors of the Board. Fees for the CEO remained consistent period over period, whereas director fees increased by \$6,341 due in connection with the appointment of a new director in November 2025. See also Related Parties section.                                                                                                                                                                  |
| Professional fees                            | Expenses of \$19,318 for the three months ended March 31, 2026 (2025 - \$34,757) are due to fees paid to auditors, accountants, and lawyers. The \$15,439 decrease in professional fees in the three months ended March 31, 2026 as compared to the three months ended March 31, 2025, principally related to a reduction in audit costs of \$18,891 due to prior period accruals, which were offset by an increase of \$3,452 in legal fees. Accounting fees remained consistent period over period.                              |
| Change in fair value of derivative liability | Expense of \$5,917 for the three months ended March 31, 2026 (2025 - \$5,869), related to valuation of the derivative liability associated with the Convertible Debt. See Convertible Debt section for details of period over period changes in the credit facility.                                                                                                                                                                                                                                                               |
| Gain on sale of equipment                    | Gain on settlement of equipment for the three months ended March 31, 2026 was \$nil (2025 - \$72,041). On March 31, 2025, the Company settled \$89,875 of the Credit Facility in consideration of the sale of lab equipment owned by Mindcore to Synbio Powerlabs Oy, a company related to Union, and to the Company's CEO (Alejandro Antalich is the Chairman of Synbio). The lab equipment was no longer required for Mindcore's operations, and its sale value was determined based on current market prices for the equipment. |

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|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Currency translation adjustment | Currency translation adjustment for the three months ended March 31, 2026 was \$26,451 (2025 - \$4,589). Currency translation adjustment reflects the impact of changes in foreign exchange rates between the Company's functional currency (Canadian dollar) and its reporting currency (U.S. dollar). A weakening of the Canadian dollar against the U.S. dollar in 2026 resulted in the change in translation adjustments. |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                            | March 31, 2026              | December 31, 2025           |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b><i>Net Assets (Working Capital)</i></b> |                             |                             |
| Cash                                       | \$14,387                    | \$36                        |
| Accounts payable and accrued liabilities   | (778,647)                   | (764,378)                   |
| Financial liabilities                      | (1,049,043)                 | (971,311)                   |
| <b><i>Working Capital Deficit</i></b>      | <b><i>\$(1,813,303)</i></b> | <b><i>\$(1,735,653)</i></b> |
| <b><i>Shareholders' Deficiency</i></b>     | <b><i>\$(1,813,303)</i></b> | <b><i>\$(1,735,653)</i></b> |

For the three months ended March 31, 2026 (compared to balances as at December 31, 2025)

| Line Item               | Variance and explanation                                                                                        |
|-------------------------|-----------------------------------------------------------------------------------------------------------------|
| Cash                    | Increased by \$14,351 due to advances made from the Credit Facility.                                            |
| Working Capital Deficit | Increased by \$77,650 primarily due to ongoing operating expenses, and accrued interest on the Credit Facility. |
| Total Assets            | Increased by \$14,351 primarily due to advances made from the Credit Facility.                                  |

## Liquidity and Capital Resources

*The following is an analysis of the liquidity and capital resources of the Company and should be read in conjunction with the Financial Statements and the corresponding notes thereto.*

### ***Summary of Cash Flows***

As at March 31, 2026, net cash increased by \$14,351 due to advances from the Credit Facility, which were partially offset by the payment of operating expenses.

|                                                 | For the three months ended |                |
|-------------------------------------------------|----------------------------|----------------|
|                                                 | March 31, 2026             | March 31, 2025 |
| Cash used in operating activities               | \$(65,955)                 | \$456          |
| Cash provided by (used in) financing activities | 70,953                     | -              |
| Net effect of foreign exchange                  | 9,353                      | (455)          |



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|                | For the three months ended |                |
|----------------|----------------------------|----------------|
|                | March 31, 2026             | March 31, 2025 |
| Change in cash | \$14,351                   | \$1            |

***Liquidity***

The Company had a working capital deficit of \$1,813,303 as at March 31, 2026 (December 31, 2025: \$1,735,653). 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.

***Capital Resources***

As of March 31, 2026, the Company had no long-term debt.

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

The Company manages liquidity risk by reviewing, on an ongoing basis, its sources of liquidity and capital requirements. In evaluating the Company's capital requirements, 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 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 an R&D 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 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 increase the Company's working capital deficit. As such, substantial additional financing will 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.

Neither Uruguay or Brazil has 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 March 31, 2026, December 31, 2025, and the date of this MD&A:

|                        |            |
|------------------------|------------|
| Authorized             | Unlimited  |
| Issued and outstanding | 77,571,773 |
| Options outstanding    | 6,200,000  |

### ***Authorized***

The Company is authorized to issue an unlimited number of common shares.

### ***Issued and Outstanding***

There were no common shares issued during the three months ended March 31, 2026, or the year ended December 31, 2025. As at March 31, 2026, and the date of this MD&A, there were 77,571,773 common shares issued and outstanding (December 31, 2025: 77,571,773 common shares issued and outstanding).

### ***Stock Options***

The Company has a 10% rolling stock option plan (the "**Plan**"), which was approved by shareholders of the Company on May 14, 2021, and re-approved on February 4, 2026. The Plan authorizes the board of directors, or a committee thereof, from time to time and at their discretion, to grant officers, directors,

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**As at and for the three months ended March 31, 2026**

employees and consultants options exercisable for common shares of the Company. The purpose of the Plan is to recognize the contributions made by the Plan's participants and to create an incentive for their continuing assistance. The aggregate number of common shares that may be issued pursuant to options and awards of incentive share options under the Plan may not exceed 10% of the number of common shares then issued and outstanding. Options granted can be exercised for a maximum of 10 years and vest as determined by the board of directors. The exercise price of each option is determined by the board of directors on the basis of the closing price of the common shares on the trading day prior to the grant, or the five-day volume weighted average trading price.

A summary of the Company's stock option activity is as follows:

|                                                                                        | Number of Options | Weighted Average Exercise Price (CAD) |
|----------------------------------------------------------------------------------------|-------------------|---------------------------------------|
| <b>Balance, as at December 31, 2024</b>                                                | -                 | \$ -                                  |
| Granted                                                                                | 6,200,000         | 0.35                                  |
| <b>Balance, as at December 31, 2025, March 31, 2026, and the date of this MD&amp;A</b> | <b>6,200,000</b>  | <b>\$ 0.35</b>                        |

As at March 31, 2026 and the date of this MD&A, stock options outstanding and exercisable are as follows:

| Grant Date       | Number of Options Outstanding | Options exercisable | Exercise Price (CAD) | Expiry Date      | Remaining Contractual Life (Years) |
|------------------|-------------------------------|---------------------|----------------------|------------------|------------------------------------|
| December 3, 2025 | 6,200,000                     | 1,550,000           | \$0.35               | December 3, 2030 | 4.68                               |
| <b>Total</b>     | <b>6,200,000</b>              | <b>1,550,000</b>    | <b>\$0.35</b>        |                  | <b>4.68</b>                        |

On December 3, 2025, the Company granted an aggregate of 6,200,000 stock options to officers, and consultants to the Company. The options have an exercise price of CAD\$0.35 per share, vest every six months over a period of two years, with the first vest on the date of grant, and expire on December 3, 2030.

The fair value of stock options at date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

|                                      | December 31, 2025 |
|--------------------------------------|-------------------|
| Weighted average share price (CAD\$) | \$0.35            |
| Risk-free interest rate              | 2.80%             |
| Expected life of option              | 5.00 years        |
| Expected annualized volatility       | 125%              |
| Expected dividend rate               | Nil               |

## Convertible Debt

On November 14, 2022, Biomind entered into a financing agreement (the "Financing Agreement") with Union Group Ventures Limited ("UGV"), a subsidiary of a significant shareholder of the Company, pursuant to which UGV 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%. The expiry date of the Financing Agreement was subsequently extended to November 14, 2026. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

Disbursements shall be repaid by the Company on the date which is 12 months after the date following the respective disbursement, together with interest thereon.

Upon at least 10 business days' advance notice, UGV may elect that the Company repay any outstanding disbursement and its respective interest, or a portion thereof, by the issuance of shares of the Company, in lieu of repayment in cash. Subject to applicable regulatory requirements, including the approval of the Cboe Exchange Inc. ("Cboe"), the number of shares of the Company to be issued shall be calculated as the 15-day volume weighted average trading price ("VWAP") of the shares on the Cboe, prior to the applicable repayment date, less a 20% discount (the "Maximum Discount").

The Company determined that the Credit Facility contained an embedded derivative liability, and that the conversion feature does not qualify as equity as it does not satisfy the "fixed for fixed" requirement as the potential number of common shares to be issued is contingent on the exchange rate, and the discounted market price of the Company's common shares. Consequently, the conversion feature is classified as a derivative liability and measured at fair value.

On initial recognition, the derivative liability was calculated based on the Maximum Discount UGV would receive on conversion of the liability to shares of the Company. Under the Company's valuation methodology, the derivative continues to be revalued at each period end, and includes accrued interest that could be convertible into shares of the Company, based on the Maximum Discount.

In the event that the conversion discount that UGV could receive based on the Maximum Discount results in a conversion price per share that is in excess of the policies of the Cboe relating to maximum allowable discounts to the market price of the Company's shares at the time of conversion, the economic benefit to UGV would be less than the Maximum Discount or \$nil. Further, in the event that the market price of the Company's shares at the date of their issuance (upon conversion of any or all of the Credit Facility) is less than the price resulting from the Maximum Discount, the economic benefit to UGV would also be \$nil. Under such circumstances, the derivative component of the portion of the liability being settled for shares of the Company would be revalued based on the discount that was given, and if no discount was given, it would be revalued to \$nil.

#### Liability Component

|                                   |           |                |
|-----------------------------------|-----------|----------------|
| <b>Balance, December 31, 2024</b> | <b>\$</b> | <b>670,677</b> |
| Advances                          |           | 64,755         |
| Settlement for the sale of assets |           | (66,936)       |
| Accretion and interest            |           | 68,710         |
| Translation adjustment            |           | (8,723)        |
| <b>Balance, December 31, 2025</b> | <b>\$</b> | <b>728,483</b> |
| Advances                          |           | 53,215         |
| Accretion and interest            |           | 17,960         |
| Translation adjustment            |           | (12,875)       |
| <b>Balance, March 31, 2026</b>    | <b>\$</b> | <b>786,683</b> |

Derivative Component

|                                   |                   |
|-----------------------------------|-------------------|
| <b>Balance, December 31, 2024</b> | <b>\$ 223,559</b> |
| Additions – principle             | 21,585            |
| Settlement for the sale of assets | (22,939)          |
| Change in fair value              | 23,531            |
| Translation adjustment            | (2,908)           |
| <b>Balance, December 31, 2025</b> | <b>\$ 242,828</b> |
| Additions – principle             | 17,738            |
| Change in fair value              | 5,917             |
| Translation adjustment            | (4,223)           |
| <b>Balance, March 31, 2026</b>    | <b>\$ 262,260</b> |

During the period ended March 31, 2026, the Company withdrew a total of \$70,953 (2025: \$15,261) from the Credit Facility. The conversion feature of the principal withdrawn during the period was determined, based on a market approach, to have a fair value of \$17,738 (2025: \$3,815) on initial recognition which was recorded as a derivative liability with the remaining balance allocated to the debt and amortized over the term.

On March 31, 2025, the Company entered into a debt settlement and asset purchase agreement between the Company, UGV, and Synbio Powerlabs Oy (“Synbio”), a related party, whereby the Company transferred equipment with a net book value of \$17,834 to Synbio in exchange for settlement of \$89,875 in principal amount of the Credit Facility. The Company recognized a gain of \$72,041 on the sale of the equipment. See Related Parties section.

During the period ended March 31, 2026, the Company recognized interest expense on the debt of \$17,960 (2025: \$17,604) and a change in fair value of the derivative of \$5,917 (2025: \$5,869).

## Related Party Transactions

### *Transaction with controlling shareholder*

During the period ended March 31, 2026, the Company borrowed \$70,953 (2025: \$15,261) from UGV pursuant to the Credit Facility and settled \$nil (2025: \$89,875) of the Credit Facility through the debt assignment and asset purchase agreement (see Convertible Debt section). Union is a significant shareholder in both the Company and Synbio. Further, Synbio is related to the Company, through common management

(CEO of the Company, Alejandro Antalich is the Chairman of Synbio). The sale value of the equipment was determined based on current market prices for the equipment.

***Transaction with key management personnel and directors***

During the period ended March 31, 2026, key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. Such key management personnel comprise of the Chief Executive Officer and Chief Financial Officer of the Company, in addition to its board of directors.

Compensation of key management is included in the condensed interim consolidated statements of loss and comprehensive loss as follows:

| Type of Service | Nature of Relationship                              | Twelve months ended March 31, |           |
|-----------------|-----------------------------------------------------|-------------------------------|-----------|
|                 |                                                     | 2026                          | 2025      |
| Management fees | Alejandro Antalich (CEO)                            | \$ 36,138                     | \$ 36,000 |
| Director fees   | Ravi Sood, Ben Illigens, Scott Ackerman (Directors) | 17,789                        | 12,000    |
|                 |                                                     | \$ 53,927                     | \$ 48,000 |

The aggregate amount owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities at March 31, 2026 is \$426,640 (December 31, 2025: \$374,272). The amounts due to these related parties are non-interest bearing and have no fixed terms of repayment. The following table represents the amount due to directors and officers of the Company included in accounts payable and accrued liabilities:

| Type of Service                        | Nature of Relationship | March 31,  |                   |
|----------------------------------------|------------------------|------------|-------------------|
|                                        |                        | 2026       | December 31, 2025 |
| Management fees                        | Alejandro Antalich     | \$ 236,289 | \$ 200,151        |
| Management fees                        | Oscar Leon             | 4,997      | 4,997             |
| Director fees                          | Ravi Sood              | 96,593     | 90,664            |
| Director fees                          | Ben Illigens           | 78,833     | 72,903            |
| Director fees                          | Scott Ackerman         | 9,928      | 3,998             |
| Expenses paid on behalf of the Company | Scott Ackerman         | -          | 1,559             |
|                                        |                        | \$ 426,640 | \$ 374,272        |

There were no other related party transactions during the three month periods ended March 31, 2026 or 2025.

## **FINANCIAL INSTRUMENTS**

The Company's activities are exposed to a variety of financial risks in the normal course of the Company's business. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company's capital costs by using suitable means of financing and to manage and control the Company's financial risks effectively. The Company may use financial instruments to hedge certain risk exposures when deemed appropriate based on its internal management risk policies.

The Company's approach to the identification, assessment and mitigation of risk is carried out by the Board of Directors, which focuses on timely and appropriate management of risk. The Board of Directors has overall accountability for the identification and management of risk across the Company. The Board of Directors maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to management and those retained by the Board of Directors. The Board of Directors approves these delegated authorities and reviews them annually.

The principal financial risks arising from financial instruments are currency risk, liquidity risk, credit risk, interest rate risk, and price rate risk.

(a) Currency risk

The Company's Financial Statements are presented in U.S. Dollars and may be affected by fluctuations in exchange rates. Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. As at March 31, 2026, the Company holds assets and liabilities in U.S. Dollars. At March 31, 2026, sensitivity to a plus or minus 5% change in the foreign exchange rate of the Canadian dollar compared to the U.S. dollar would affect net loss and comprehensive loss for the three months ended March 31, 2026 by \$80,862 with all other variables held constant (2025: \$41,268).

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. As at March 31, 2026, the Company has liabilities of \$1,827,690 (December 31, 2025: \$1,735,689) due within twelve months and has \$14,387 (December 31, 2025: \$36) in cash to meet its current obligations. As such, liquidity risk is assessed as high.

(c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management's assessment of the Company's exposure to credit risk is low.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

(e) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

## Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As at March 31, 2026, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, convertible debt, and derivative liability. Cash is classified as amortized cost. Accounts payable and accrued liabilities are also classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debt and derivative liability are recorded at fair value using Level 3.

## Changes in Accounting Policies and Future Pronouncements

### Recent accounting pronouncements

#### IFRS 18 Presentation and disclosure in financial statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which introduces:

- i. new requirements on presentation within the statement of profit or loss;
- ii. disclosure standards regarding management defined performance measures; and
- iii. principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027 but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

## Critical Accounting Estimates and Judgements

Critical accounting estimates are estimates made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

### Share-based compensation

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.

### **Going concern**

The preparation of the Financial Statements requires management to make judgements regarding the going concern of the Company. As at March 31, 2026, the Company had a working capital deficit of \$1,813,303 (December 31, 2025: \$1,735,653). The Company remains dependent on external sources of financing until such time as it can internally generate sufficient income from its operations to service its on-going operating cost requirements.

### **Deferred income tax**

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

### **Fair value of derivative liability**

The convertible debt is considered to contain a derivative instrument due to the conversion option held by the lender, and the value of the debt being in U.S. dollars as compared to the Canadian functional currency of the Company. Estimating the fair value of the derivative requires judgement from management in determining the appropriate valuation method and the inputs used in the model. Changes in input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

### **Disclosure controls and procedures**

Management's responsibility is to maintain 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, are responsible for designing and implementing disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, and for the design of 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 years ended December 31, 2024, and 2025, the Company identified certain deficiencies in the design and implementation of processes and controls regarding; a) the Financing Agreement, wherein the controls were inadequate to prevent or detect material errors in accounting treatment and disclosures, b) controls over the issuance of common shares of the Company, wherein the controls were inadequate to prevent the issuance of common shares without the required resolutions from the board of directors, and c) independence of the Company's audit committee, wherein the current composition of the audit committee did not conform to the corporate governance guidelines as established by the Cboe. Additionally, due to the limited staff within the Company, there was a general lack of segregation of duties within the Company.

Management of the Company has implemented additional internal controls and formal approval processes over the Company's financial reporting and its financial transactions in order to facilitate the timely and accurate preparation and reporting of financial results. The Company has engaged third-party accounting and administrative assistance in order to ensure proper internal control and formal approval processes, and has also appointed a new director who also serves as a member of its audit committee, to ensure proper independence on its audit committee.

***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.

## **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 March 31, 2026 the Company has an accumulated deficit of \$15,839,153 (December 31, 2025: \$15,735,052), cash of \$14,387 (December 31, 2025: \$36), and a working capital deficit of \$1,813,303 (December 31, 2025: \$1,735,653). Additionally, the Company incurred a net loss and comprehensive loss of \$77,650 during the three month period ended on March 31, 2026 (2025: \$62,176). 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 Financial 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 Financial Statements.

The Company is also currently subject to the Delisting Review of the Cboe (see Corporate Overview section).

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.sedarplus.ca](http://www.sedarplus.ca).

## **Off-Balance Sheet Arrangements**

The Company currently has no off-balance sheet arrangements.

## **Proposed Transactions**

No transactions are proposed at this time.

## **Additional information**

Additional information relating to the Company is available at [www.sedarplus.ca](http://www.sedarplus.ca).

## APPENDIX G

### ADDITIONAL DISCLOSURE

#### Item 4.

##### Business Objectives and Milestones

*(Supplement to Business Objectives and Milestones as disclosed in the Company's AIF for the fiscal year ended December 31, 2025)*

As disclosed in the AIF, the Issuer's principal business objective in 2026 is to secure sufficient working capital through equity or debt financings in order to advance its DMT, 5-MeO-DMT, and Mescaline programs, with BMND08 (5-MeO-DMT program) as its first priority and BMND01 (DMT program) as its second priority.

Over the next six months the Issuer intends to allocate approximately US\$320,674 toward advancing the BMND08 program through the following key workstreams: nano-formulation chemistry, manufacturing and controls ("CMC") and technical preparation (US\$170,000); regulatory strategy and FDA engagement preparation (US\$75,000); clinical development planning and pivotal trial design (US\$50,000); and intellectual property, regulatory compliance and quality systems (US\$25,674). These activities are designed to build the technical, regulatory, and clinical foundation required to advance BMND08 toward commercial-stage clinical trials in neuropsychiatric and neurodegenerative disorders.

##### Working Capital Deficit

The Issuer has no long-term debt. The Issuer has a deficit of US\$15,839,153, and had cash of US\$14,387, current liabilities of US\$1,827,690, and a working capital deficit of US\$1,813,303 as at March 31, 2026.

The Issuer is in a pre-operative stage as it researches and develops its product candidates in anticipation of manufacturing in the future, therefore, the Issuer will not be able to generate sufficient amounts of cash from its operations in the short term.

As an R&D company, the Issuer expects to spend further funds to continue the research and development, and subsequent testing of its product candidates and to prepare to commercialize products, subject to regulatory approvals. The ongoing research and development will continue to increase the Issuer's working capital deficit. As such, additional financing will be required if the Issuer is to be successful in continuing to develop its business, meet ongoing obligations, and discharge its liabilities in the normal course of business. The Issuer continues its efforts to secure appropriate equity and/or additional debt financing, but there are no assurances that it will be able to raise the additional capital that it requires. While the Issuer continues to work to secure an equity or additional debt financing to accelerate its research and development program, it will be reliant on advances from the Union Credit Facility in order to fund its operations.

In order to ensure the Issuer has sufficient funding for at least the six months following the Issuer's listing on the CSE, Union has extended the Credit Facility until March 31, 2027, and has agreed to fund the Budget (as defined below) through advances from the Credit Facility. Additionally, creditors of the Issuer holding an aggregate of US\$593,270 have agreed to a standstill period of nine months following the Issuer's listing on the CSE, during which time the creditors will forbear from demanding payment of the amounts owing to them by the Issuer.

## Funds Available and Principal Purposes

On November 14, 2022, the Issuer entered into a financing agreement (the “**Financing Agreement**”) with Union Group Ventures Limited (“**UGV**” or “**Union**”), a subsidiary of a significant shareholder of the Issuer, pursuant to which UGV agreed to provide Biomind with a credit facility of up to US\$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%. The expiry date of the Financing Agreement was subsequently extended to March 31, 2027. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw.

As of July 31, 2026, the aggregate amount owing under the Credit Facility is US\$1,110,842 (March 31, 2026: US\$1,049,043).

Prior to adjustments (see table below), the approximate working capital deficiency of the Issuer as of July 31, 2026, the most recent month end, was US\$1,944,427.

| Description                                                              | US\$          |
|--------------------------------------------------------------------------|---------------|
| Working capital deficit                                                  | 1,944,427     |
| Union Credit Facility extended <sup>(1)</sup>                            | (1,110,842)   |
| Accounts payable and accrued liabilities deferred <sup>(2)</sup>         | (593,270)     |
| Accounts payable not due until equity financing completed <sup>(3)</sup> | (117,323)     |
| Significantly aged accounts payable <sup>(4)</sup>                       | (48,856)      |
| <b>Adjusted working capital deficit</b>                                  | <b>74,136</b> |

- (1) Union Credit Facility has been extended until March 31, 2027.
- (2) Creditors have entered into standstill agreements with the Issuer for nine months following the Issuer’s listing on the CSE, during which time the creditors will forbear from demanding payment of the amounts owing to them by the Issuer.
- (3) Creditor has agreed not to demand payment at least until the Issuer completes an equity financing.
- (4) Payables in excess of five years old, incurred prior to the Issuer’s RTO on July 23, 2021.

During the six months following from August 2026 to January 2027 (the “**Budget**”), the Issuer intends to use funds available from the Credit Facility, in addition to any funds that it may raise through equity financings, if any, for the principal purposes described below:

| Description                                         | US\$           |
|-----------------------------------------------------|----------------|
| <b>Funding available from Union Credit Facility</b> | <b>550,000</b> |
| <b>Use of available funds</b>                       |                |
| Adjusted working capital deficit                    | 74,136         |
| Payment of existing current trade payables          | 27,207         |
| Payment of CSE listing fee balance                  | 21,750         |
| Operating expenses <sup>(1)</sup>                   | 99,572         |
| Research & development <sup>(2)</sup>               | 320,674        |
| Contingency                                         | 6,661          |
| <b>Total Uses</b>                                   | <b>550,000</b> |

- (1) Consisting of web and cloud services (US\$1,500), legal fees (US\$37,500), accounting and administrative fees (US\$30,000), CSE maintenance fees (US\$4,972), transfer agent fees (US\$3,600), travel, meals, and entertainment (US\$10,000), press release dissemination fees (US\$6,000), and website and social media costs (US\$6,000).
- (2) Consisting of nano-formulation CMC and technical preparation (US\$170,000), regulatory strategy and FDA engagement preparation (US\$75,000), clinical development planning and pivotal trial design (US\$50,000), and IP, regulatory compliance and quality systems (US\$25,674).

Items 8 and 14.

## Capitalization Tables

The following tables provide information about the capitalization of the Issuer as of the date of this Listing Statement:

| Issued Capital                                                                                                                                                                                                                                                                                                                                         | Number of Securities (non-diluted) | Number of Securities (fully-diluted) | % of Issued (non-diluted) | % of Issued (fully diluted) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|---------------------------|-----------------------------|
| <u>Public Float</u>                                                                                                                                                                                                                                                                                                                                    |                                    |                                      |                           |                             |
| Total outstanding (A)                                                                                                                                                                                                                                                                                                                                  | 77,571,773                         | 83,771,773                           | 100%                      | 100%                        |
| Number of issued securities that are pooled, escrowed or non-transferable, and the number of issued securities of the class beneficially owned, or over which control or direction is exercised by: (a) the Listed Issuer; (b) every senior officer or director of the Listed Issuer; and (c) every Principal Security Holder of the Listed Issuer (B) | 28,166,191 <sup>(1)</sup>          | 34,366,191 <sup>(2)</sup>            | 36.31%                    | 41.02%                      |
| Total Public Float (A-B)                                                                                                                                                                                                                                                                                                                               | 49,405,582                         | 49,405,582                           | 63.69%                    | 63.69%                      |
| <u>Freely-Tradeable Float</u>                                                                                                                                                                                                                                                                                                                          |                                    |                                      |                           |                             |
| Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)                                                                                                                                        | -                                  | -                                    | -                         | -                           |
| Total Tradeable Float (A- C)                                                                                                                                                                                                                                                                                                                           | 49,405,582                         | 49,405,582                           | 63.69%                    | 63.69%                      |

<sup>(1)</sup> Includes 14,794,696 common shares held by Union Group Ventures Limited and 13,371,495 common shares held by Arvesa Corp. Juan Sartori is the sole shareholder of Union Group International Holdings Limited, of which Union Group Ventures Limited, is its wholly owned subsidiary, and is the sole shareholder of Arvesa Corp.

<sup>(2)</sup> Includes 3,500,000 stock options granted to Union Group International Holdings Limited, 2,500,000 stock options granted to Arvesa Corp., 100,000 stock options granted to Alejandro Antalich (CEO and a Director of the Issuer), and 100,000 stock options granted to Scott Ackerman (Director of the Issuer). The stock options have an exercise price of CAD\$0.35 and an expiry date of December 3, 2030.

## Public Securityholders (Registered)

### Common Shares

| Size of Holding          | Number of holders | Total number of securities |
|--------------------------|-------------------|----------------------------|
| 1 — 99 securities        | 1                 | 15                         |
| 100 — 499 securities     | 260               | 42,903                     |
| 500 — 999 securities     | 1                 | 651                        |
| 1,000 — 1,999 securities | 151               | 151,420                    |
| 2,000 — 2,999 securities | 0                 | 0                          |
| 3,000— 3,999 securities  | 0                 | 0                          |

|                          |            |                   |
|--------------------------|------------|-------------------|
| 4,000 — 4,999 securities | 1          | 4,379             |
| 5,000 or more securities | 10         | 41,246,402        |
| <b>Total</b>             | <b>424</b> | <b>41,445,770</b> |

Public Securityholders (Beneficial)

Common Shares

| Size of Holding          | Number of holders | Total number of securities |
|--------------------------|-------------------|----------------------------|
| 1 — 99 securities        | 0                 | 0                          |
| 100 — 499 securities     | 18                | 2,970                      |
| 500 — 999 securities     | 0                 | 0                          |
| 1,000 — 1,999 securities | 1                 | 1,420                      |
| 2,000 — 2,999 securities | 0                 | 0                          |
| 3,000 — 3,999 securities | 0                 | 0                          |
| 4,000 — 4,999 securities | 0                 | 0                          |
| 5,000 or more securities | 15                | 7,753,422                  |
| Unable to confirm        |                   | 200,000                    |
| <b>Total</b>             | <b>34</b>         | <b>7,957,812</b>           |



Non-Public Securityholders (Registered)

Common Shares

| Size of Holding          | Number of holders | Total number of securities |
|--------------------------|-------------------|----------------------------|
| 1 — 99 securities        | 0                 | 0                          |
| 100 — 499 securities     | 0                 | 0                          |
| 500 — 999 securities     | 0                 | 0                          |
| 1,000 — 1,999 securities | 0                 | 0                          |
| 2,000 — 2,999 securities | 0                 | 0                          |
| 3,000— 3,999 securities  | 0                 | 0                          |
| 4,000 — 4,999 securities | 0                 | 0                          |
| 5,000 or more securities | 0                 | 0                          |
| <b>Total</b>             | <b>0</b>          | <b>0</b>                   |

APPENDIX H

CERTIFICATE OF THE ISSUER

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Biomind Labs Inc. hereby applies for the listing of the above mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Biomind Labs Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 7th day of August, 2026.

"Alejandro Antalich"

ALEJANDRO ANTALICH

Chief Executive Officer and Director

"Oscar Leon"

OSCAR LEON

Chief Financial Officer, Corporate Secretary and Director

### ON BEHALF OF THE BOARD OF DIRECTORS OF BIOMIND LABS INC.

"Scott Ackerman"

SCOTT ACKERMAN

Director

"Ravi Sood"

RAVI SOOD

Director

"Ben Illigens"

BEN ILLIGENS

Director

"Alejandro Antalich"

ALEJANDRO ANTALICH

Director, Chief Executive Officer

"Oscar Leon"

OSCAR LEON

Director, Chief Financial Officer, Corporate Secretary

### PROMOTERS

"Juan Sartori" JUAN

SARTORI