

## AMALGAMATION AGREEMENT

THIS AGREEMENT made as of the 19<sup>th</sup> day of January, 2021.

### B E T W E E N:

**1264216 B.C. LTD.**

existing under the *Business Corporations*

(hereinafter referred to as “**Acquisitionco**”)

- and -

**MINDHEALTH BIOMED CORP.**

existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**MindHealth**”)

### WHEREAS:

- A. The parties hereto have entered into a business combination agreement with Cardinal Capital Partners Inc. (now named Psyence Group Inc. (“**Psyence**”)) dated as of September 11, 2020 pursuant to which the parties thereto have agreed that the business and assets of MindHealth will be combined with those of Acquisitionco (the “**Business Combination Agreement**”).
- B. The authorized capital of Acquisitionco consists of an unlimited number of common shares of which one (1) is issued and outstanding as fully paid and non-assessable.
- C. The authorized capital of MindHealth consists of an unlimited number of common shares of which 76,720,518 are issued and outstanding as fully paid and non-assessable.
- D. Acquisitionco and MindHealth have agreed to amalgamate under Section 269 of the BCBCA (as hereinafter defined) upon the terms and conditions hereinafter set out;
- E. Effective upon the Amalgamation (as hereinafter defined), Psyence shall issue to each MindHealth Shareholder (as hereinafter defined) one common share in its capital (on a post-Consolidation basis) for each one MindHealth Common Share (as hereinafter defined);

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto do hereby agree as follows:

#### 1. Interpretation

In this Agreement including the recitals:

“**Acquisitionco Shares**” means common shares in the capital of Acquisitionco;

“**Agreement**” means this amalgamation agreement, as it may be amended or supplemented at any time and from time to time after the date hereof;

“**Amalco**” means the corporation resulting from the amalgamation of Acquisitionco and MindHealth pursuant to the Amalgamation;

“**Amalco Shares**” means the common shares in the capital of Amalco;

“**Amalgamating Corporation**” means each of Acquisitionco and MindHealth and “**Amalgamating Corporations**” means both of them;

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations under Section 269 of the BCBCA on the terms and subject to the conditions set out in this Agreement;

“**Amalgamation Application**” means the Form 13 – *Amalgamation Application* giving effect to the Amalgamation to be filed with the Registrar pursuant to this Agreement;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended from time to time;

“**Business Combination**” means the series of transactions, as detailed in this Agreement, through which the businesses of Psyence and MindHealth will be combined, including the Consolidation and the Amalgamation and as set out in the Business Combination Agreement;

“**Business Combination Agreement**” has the meaning ascribed thereto in the preamble to this Agreement;

“**Psyence Shares**” means common shares in the capital of Psyence;

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the Registrar in respect of the Amalgamation;

“**Consolidation**” means the consolidation of Psyence Shares on the basis of one (1) post-consolidation share for every 19.24 pre-consolidation Psyence Shares;

“**CSE**” means the Canadian Securities Exchange.

“**Effective Date**” means the date shown on the Certificate of Amalgamation;

“**Effective Time**” has the meaning ascribed to it in Section 9;

“**Government Authority**” means (i) any international, multinational, national, federal, provincial, state, municipal, local or other government or governmental or public ministry, department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental body exercising any regulatory, expropriation or taxing authority, in each case having legal jurisdiction over the activity or Person in question;

“**ITA**” means the *Income Tax Act* (Canada), as amended, and all regulations thereunder;

“**MindHealth Common Shares**” means common shares in the capital of MindHealth;

“**MindHealth Shareholder**” means a registered holder of MindHealth Common Shares, from time to time, and “**MindHealth Shareholders**” means all of such holders;

“**Parties**” means Acquisitionco and MindHealth;

“**Person**” includes any individual, sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Government Authority, syndicate or other entity, whether or not having legal status;

“**Registrar**” means the registrar appointed under Section 400 of the BCBCA; and

“**Transfer Agent**” means the registrar and transfer agent of Psyence.

## 2. **Paramountcy**

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of the Business Combination Agreement shall prevail.

## 3. **Agreement to Amalgamate**

Each of the Parties hereby agrees to the Amalgamation. The Amalgamating Corporations shall amalgamate to create Amalco on the terms and conditions set out in this Agreement.

## 4. **Filing of Articles**

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the BCBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, the Amalgamating Corporations shall file the Amalgamation Application with the Registrar as provided under the BCBCA.

## 5. **Amalgamation**

Under the Amalgamation at the Effective Time:

- (a) Acquisitionco and MindHealth will amalgamate and continue as Amalco with the name “Psyence Biomed Corp.”;
- (b) each holder of MindHealth Common Shares (other than dissenting MindHealth Shareholders who do not cancel their MindHealth Common Shares in consideration of obtaining Psyence Shares on the Amalgamation) shall be issued 1.0649 Psyence Shares (on a post-Consolidation basis) for each MindHealth Common Share held (the “**Exchange Ratio**”), following which all such MindHealth Common Shares shall be cancelled;
- (c) all other convertible securities issued by MindHealth shall be exchanged for convertible securities in the capital of Psyence on the basis of the Exchange Ratio, with all terms thereof adjusted accordingly;
- (d) Psyence shall receive one fully paid and non-assessable Amalco Share for each one Acquisitionco Share held by Psyence, following which all such Acquisitionco Shares shall be cancelled;
- (e) in consideration of the issuance of Psyence Shares in Section 5(b), Amalco shall issue to Psyence one Amalco Share for each Psyence Share issued;

- (f) the Psyence Shares shall be issued fully paid in consideration of the cancellation of the MindHealth Common Shares immediately prior to the Effective Time, excluding any MindHealth Common Shares held by dissenting MindHealth Common Shareholders who do not cancel their MindHealth Common Shares in consideration of obtaining Psyence Shares in the Amalgamation;
- (g) Amalco shall add to the capital maintained in respect of the Amalco Shares an amount such that the capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Acquisitionco Shares and MindHealth Common Shares immediately prior to the Effective Time; and
- (h) Amalco will become a wholly-owned subsidiary of Psyence.

## **6. Delivery of Securities Following Amalgamation**

In accordance with normal commercial practice, as soon as practicable following the Effective Date, Psyence, directly or through the Transfer Agent, shall issue direct registration advices or certificates representing the appropriate number of Psyence Shares (on a post-Consolidation basis) to the former holders of MindHealth Common Shares by the issuance of share certificates, Direct Registration System statements or electronic positions within CDS Clearing and Depository Services Inc. representing the appropriate number of shares to which they are so entitled.

## **7. Effect of Amalgamation**

- (a) The Amalgamating Corporations shall be amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement.
- (b) The Amalgamating Corporations shall cease to exist as entities separate from Amalco.
- (c) Amalco shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations.
- (d) A conviction against, or ruling, order or judgment in favour or against an Amalgamating Corporation may be enforced by or against Amalco.
- (e) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Amalgamation has become effective.

## **8. Fractional Shares**

No fractional Psyence Shares shall be issued to holders of MindHealth Common Shares; in lieu of any fractional entitlement, the number of Psyence Shares issued to each former holder of MindHealth Common Shares shall be rounded up to the nearest whole Psyence Share in the event that the former holder of MindHealth Common Shares is entitled to receive a fractional share representing 0.5 or more of a Psyence Share, or be rounded down to the nearest whole Psyence Share in the event that the former holder of MindHealth Common Shares is entitled to receive a fractional share representing less than 0.5 of a Psyence Share.

**9. Effective Time**

The Amalgamation shall take effect and go into operation at 12:01 a.m. on the Effective Date, if this Agreement has been adopted as required by law and all necessary filings have been made with the Registrar before that time, or at such later time, or time and date, as may be determined by the directors or by special resolutions of the Amalgamating Corporations when this Agreement shall have been adopted as required by law; provided, however, that if this Agreement is terminated under Section 19, the Amalgamation shall not take place notwithstanding the fact that this Agreement may have been adopted by the shareholders of the Amalgamating Corporations.

**10. Registered Office**

The registered office of Amalco shall be in the City of Vancouver in the Province of British Columbia. The address of the first registered office of Amalco shall be: 885 West Georgia Street, Suite 800, Vancouver, British Columbia, V6C 3H1.

**11. Amalco Name**

The name of Amalco shall be “Psyence Biomed Corp.”.

**12. Notice of Articles and Articles**

- (a) The Amalgamation Application is deemed to be the notice of articles of Amalco and the Certificate of Amalgamation is deemed to be the certificate of incorporation of Amalco.
- (b) The articles of Amalco shall be the articles of MindHealth, a copy of which may be examined at the following address: 66 Wellington Street West, Suite 4100, TD Bank Tower, Toronto, Ontario M5K 1B7.

**13. Activities**

There will be no limitations on the activities of Amalco. The directors of Amalco shall be authorized to borrow money on the credit of Amalco.

**14. Authorized Capital**

The authorized capital of Amalco shall consist of an unlimited number of common shares without nominal or par value.

**15. Number of Directors**

The board of directors of Amalco shall consist of not less than one and not more than 10 directors, the exact number of which shall be determined by the directors from time to time.

**16. Initial Directors**

The first directors of Amalco shall be the persons whose names and residential addresses appear below:

Name	Prescribed Address
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Jody Aufrichtig	
Gavin Basserabie	

The above directors will hold office from the Effective Date until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

**17. Transfer of Shares**

The right to transfer of shares in the capital of Amalco shall be restricted in that no shareholder shall be entitled to transfer any share or shares unless its transfer complies with the restriction on the transfer of securities set out in section 18(b) hereof.

**18. Special Provisions**

Subject to the provisions of the BCBCA, the following provisions shall apply to Amalco:

- (a) Without in any way restricting the powers conferred upon Amalco or its board of directors by the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
  - (i) borrow money upon the credit of Amalco;
  - (ii) issue, re-issue, sell or pledge debt obligations of Amalco;
  - (iii) subject to the provisions of the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and
  - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

The board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

- (b) No securities of Amalco, other than non-convertible debt securities, shall be transferred without either:
  - (i) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors; or
  - (ii) the approval of the holders of shares of Amalco carrying at least a majority of the votes entitled to be cast at a meeting of shareholders, expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

**19. Termination**

Subject to the terms of the Business Combination Agreement, this Agreement may be terminated by mutual written consent of the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation or following the termination of the Business Combination Agreement, without, except as provided in the Business Combination Agreement, any recourse by any Party hereto or any of their shareholders or other Persons.

**20. Governing Law**

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

**21. Further Assurances**

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

**22. Time of the Essence**

Time shall be of the essence of this Agreement.

**23. Amendments**

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

**24. Counterparts**

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

*[The remainder of this page has been left intentionally blank. Signature page follows.]*

