

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Neural Therapeutics Inc. (the "**Company**" or "**Neural**")
2905-77 King Street West
Toronto, ON M5K 1H1

Item 2. Date of Material Change

September 21, 2023.

Item 3. News Release

A news release disclosing the information contained in this material change report was issued by the Company on October 2, 2023 via Newsfile and subsequently filed on SEDAR+ by Neural.

Item 4. Summary of Material Change

The Company has closed the first tranche of the private placement ("**Private Placement**") for gross proceeds of \$293,346.42 and debt settlement of approximately \$327,845.49 ("**Debt Settlement**").

Item 5. Full Description of Material Change

See attached press release.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Ian Campbell, Chief Executive Officer
(226) 218-2255
icampbell@neuraltherapeutics.ca

Item 9. Date of Report

October 2, 2023



Neural Therapeutics Announces Closing of First Tranche Private Placement and Debt Settlement and Change of Auditors

Toronto, Ontario, October 2, 2023, Neural Therapeutics Inc. ("**Neural**" or the "**Company**"), an ethnobotanical drug-discovery and development company, is pleased to announce that it has closed the first tranche of the private placement ("**Private Placement**") for gross proceeds of \$293,346.42 and completed debt settlement of approximately \$327,845.49 ("**Debt Settlement**").

Ian Campbell, CEO of Neural Therapeutics commented: "*While the capital markets environment for junior life sciences companies remains challenging, we are very grateful for the support of our stakeholders. Completion of the private placement and the debt settlement significantly bolsters our ability to satisfy our ongoing financial commitments and continue to advance our research and development programs. We expect that there will be a subsequent closing of the private placement in due course and invite any qualified investors to reach out for more information.*"

Private Placement

Further to the announcements in Neural press releases dated June 13, 2023 and July 14, 2023, Neural is pleased to announce that on September 21, 2023 it closed the first tranche of the Private Placement for gross proceeds of \$293,346.42 through issuance of 9,778,209 common shares in the capital of Neural ("**Neural Shares**") at a price of \$0.03 per Neural Share. In connection with closing the first tranche of the Private Placement, Neural paid cash finders' fees of \$12,587 and issued 419,564 finders' warrants ("**Finders' Warrants**"). Each Finders' Warrant is exercisable into Neural Shares at a price of \$0.05 per Neural Share until September 21, 2025. Neural anticipates that it may close additional rounds of the Private Placement, which will be announced by way of press releases.

The net proceeds of the Private Placement are expected to be used for general and administrative purposes, and to fund the Company's research and development programs.

Neural also wishes to convey that the subscription receipt financing that Neural anticipated to carry out, as announced in a press release of Vertical Peak Holdings Inc. (formerly High Fusion Inc.) dated March 21, 2023, has now been terminated and replaced by the Private Placement. All of the subscribers of the said subscription receipt financing have participated in the Private Placement or the rights offering of Neural, which closed on July 14, 2023.

Debt Settlement

Neural wishes to announce that on September 21, 2023 pursuant to the Debt Settlement, it has settled an aggregate of \$327,845.49 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of an aggregate of 10,928,181 Neural Shares at a price of \$0.03 per Neural Share.

Humber Capital Advisors Inc. ("**HCA**"), a company controlled by John Durfy, Chairman of the board of Neural has acquired 2,250,000 Neural Shares pursuant to the Debt Settlement. Prior to the Debt Settlement



and the Private Placement, John Durfy and HCA held 4,465,967 Neural Shares, which represents 9.91% of the issued and outstanding Neural Shares. Following the completion of the Debt Settlement, HCA and Mr. Durfy collectively held 6,715,967 Neural Shares, representing approximately 10.21% of issued and outstanding Neural Shares, not taking into consideration any future issuances by Neural. A copy of the Early Warning Report for each of HCA and Mr. Durfy will appear on Neural's SEDAR+ profile and may also be obtained by calling +1 (647) 697-NURL (6875).

The participation of those HCA in the Debt Settlement, respectively, constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Neural has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the Debt Settlement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Neural's market capitalization (as determined under MI 61-101).

All securities issued pursuant to the first tranche of the Private Placement and the Debt Settlement (which includes Neural Shares, Finders' Warrants and Neural Shares issuable on exercise of Finders' Warrants) are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

Change of Auditor

Neural also wishes to announce that it has changed its auditors from Kreston GTA LLP, Chartered Professional Accountants ("**Former Auditor**") to DNTW Toronto LLP ("**Successor Auditor**") effective September 28, 2023.

At the request of Neural, the Former Auditor resigned as the auditor of Neural and the Board of Directors of Neural appointed the Successor Auditor as the new Auditor effective September 28, 2023, until the close of the Company's next Annual General Meeting.

There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Neural's auditor. There are no "reportable events" (as the term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) between Neural and the Former Auditor.

In accordance with National Instrument 51-102, the Notice of Change of Auditor, together with the required letters from the Former Auditor and the Successor Auditor, have been reviewed by Neural's Audit Committee and will be filed on SEDAR accordingly.

Investment in securities of Neural shall be considered highly speculative and anyone considering purchasing such securities should consult their financial advisors and review the Company's continuous disclosure record on www.sedar.com.

About Neural Therapeutics



NEURAL THERAPEUTICS

Neural is a drug-discovery company focusing on plant based active substances with the goal of delivering beneficial over-the-counter dietary-supplements and psychedelic-based therapeutic-medicines to treat serious mental ailments where no significant treatment is available today. Neural key ingredient is mescaline derived from cacti. Neural has established a supply chain in Peru to source certain specimen of mescaline containing cacti, such as the San Pedro cactus, and has applied for and received the requisite permits with the National Service for Forest and Wildlife or Servicio Nacional Forestal y de Fauna Silvestre ("**SERFOR**"), to collect wild species of cacti within Peru for research purposes.

Neural Therapeutics is an unlisted reporting issuer in the Provinces of British Columbia, Alberta and Quebec.

For more information

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No securities regulatory authority has reviewed nor accepts responsibility for the adequacy or accuracy of the content of this news release. This news release contains forward-looking statements relating to the outlook for the psychedelic products and related industries; the achievement, and the timing of, certain development milestones and the successful execution of Neural's business strategy (including its business model and mission); anticipated capitalization, projected milestones and the go-forward management of Neural; timing and ability to complete any financings; timing and success of securing, obtaining or maintaining the permits required to carry out its research and development activities, including the genetic and chemical studies; timing and success of developing or securing intellectual property; timing and outcome of various studies, including pre-clinical and clinical studies; current and future compliance with applicable laws, regulations, statutes and conventions relevant to the Company's business in Peru and other jurisdictions; anticipated timing and costs associated with the path to market; environmental, cultural and social impact as a result of the Company's activities and other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance, expected regulatory filings, review and approval dates, and start-up timelines and schedules, and statements related to the continued overall advancement of Neural's business and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects", "plans" and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the inability to raise sufficient funds to conduct the Company's business plan; failure to satisfy the conditions of the relevant securities regulators(s) and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company.



**NEURAL
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The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement, which represent expectations of the Company as of the date hereof, are subject to change after such date, and the Company expressly disclaims any intention or obligation to update or revise such statements. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR+ website at www.sedarplus.ca.

*The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.*