

**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**

November 15, 2024.

**Item 3. News Release**

A news release disclosing the information contained in this material change report was issued by the Company on November 25, 2024 via Newsfile and subsequently filed on SEDAR+ by Neural.

**Item 4. Summary of Material Change**

Neural Therapeutics Undertakes Multiple Initiatives to Defer and Eliminate a Significant Portion of Financial Obligations.

**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  
+1 (647) 697-NURL (6875)  
[icampbell@neuraltherapeutics.ca](mailto:icampbell@neuraltherapeutics.ca)

**Item 9. Date of Report**

November 25, 2024



## **NEURAL THERAPEUTICS UNDERTAKES MULTIPLE INITIATIVES TO DEFER AND ELIMINATE A SIGNIFICANT PORTION OF FINANCIAL OBLIGATIONS**

November 25, 2024 - Toronto, Ontario - Neural Therapeutics Inc. ("**Neural**" or the "**Company**"), an ethnobotanical drug discovery company dedicated to developing therapeutic treatments for mental health conditions related to substance use disorders, is pleased to announce it has entered into a number of agreements with related parties and third parties that result in deferral and conversion of a significant amount of financial obligations, and elimination of certain general and administrative expenses on a go-forward basis.

Ian Campbell, CEO of Neural, stated: "*We are pleased to report the results of the lengthy negotiations to improve Neural's financial position and reduce certain general and administrative expenses. As we move closer to the finish line on our private placement that is expected to occur concurrently with listing on the Canadian Securities Exchange, we expect that these changes will enhance Neural's financial sustainability in the long-term.*"

### ***Waiver and Payment Deferral Agreements***

On November 15, 2024, Neural entered into waiver and payment deferral agreements ("**Deferral Agreements**") with Ian Campbell, CEO of Neural, Humber Capital Advisors Inc. ("**HCA**"), a company that is owned by John Durfy, Chairman of Neural and certain arm's length parties (collectively "**Creditors**"), which resulted in a deferral of certain accounts payable and accrued liabilities of an aggregate of \$691,318 ("**Deferred Amount**"). Pursuant to the terms of the Deferral Agreements, the Deferred Amount was deferred until the date ("**Deferral Trigger Date**") that is the earlier of: (a) January 15, 2026; and (b) the Company completing a financing for gross proceeds of no less than \$400,000 following a successful listing on a recognized stock exchange in Canada ("**Listing**"), which for greater clarity, excludes the financing that is expected to be completed in connection with or immediately prior to such Listing.

Following entry into the Deferral Agreements, the Creditors entered into agreements to assign approximately \$551,318 of the Deferred Amount to an unrelated third party.

### ***Amendment of Agreements with Certain Management Team and Board Members***

On November 15, 2024, the Company entered into an agreement to replace the employment agreement with Ian Campbell, CEO of Neural with a consulting agreement ("**Campbell Consulting Agreement**"), which provides for payment of a fee of \$2,000 per month on a go forward basis. Pursuant to the Campbell Consulting Agreement, Ian Campbell will continue to serve as the Chief Executive Officer, Secretary and Director of the Neural.

On November 15, 2024, the Company agreed to terminate the consulting agreement with HCA ("**HCA Termination Agreement**"). John Durfy will continue to serve as a Chairman of the Board of Neural.



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### ***Issuance of Neural Share Purchase Warrants***

On November 15, 2024 Neural agreed to issue 21,467,163 common share purchase warrants (each a "**Warrant**"), as follows: (a) 1,381,426 Warrants to Ian Campbell in connection with the execution of the Campbell Consulting Agreement; (b) 6,715,967 Warrants to John Durfy, in connection with the execution of the HCA Termination Agreement; (c) 9,120,001 Warrants in connection with consulting agreements entered into with third parties and (d) 4,249,769 Warrants to settle payables with an unrelated party. Each Warrant will be exercisable into one common share in the capital of Neural ("**Neural Shares**") at a price of \$0.05 per Neural Share for a period of three years from the date of issuance, subject to acceleration by the Company giving at least 30 days' notice if the Neural Shares trade at a volume-weighted average price of \$0.10 or higher for a period of at least 10 consecutive trading days. The Warrants have not yet been issued by Neural and further updates in regard to the issuance date will be announced by the way of press release.

### ***Proposed Escrowed Share Transfers***

On November 15, 2024, Northern Star Capital Inc., an arm's length party to the Company entered into agreements ("**Escrowed Shares Transfer Agreements**") to acquire an aggregate 8,136,684 Neural Shares ("**Escrowed Shares**") from HCA, John Durfy, Vertical Peak Holdings Inc. and EWC Corporation, representing approximately 12.37% of the outstanding shares of the Company as of the date of this press release. The Escrowed Shares remain in escrow under provisions of an escrow agreement entered into pursuant to National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP46-201**") on May 23, 2023 when the Company completed the plan of arrangement with Vertical Peak Holdings Inc. and became an unlisted reporting issuer in the Provinces of British Columbia, Alberta and Quebec. The completion of the transfer of Escrowed Shares pursuant to the Escrowed Share Transfer Agreements is conditional on satisfaction of regulatory requirements under NP46-201 that permit for such transfer to occur. Further updates in regard to the proposed transfer of Escrowed Shares will be announced by the Company by way of press release.

### ***Shares for Debt Settlement***

Neural wishes to announce that on November 15, 2024 it has settled an aggregate of \$42,650 of indebtedness owed to certain arm's length creditors through the issuance of an aggregate of 1,421,667 Neural Shares at a price of \$0.03 per Neural Share, which shares are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

### ***Extension of Letter of Intent with "Hanf.com"***

By mutual agreement, Neural and CWE European Holdings Inc. ("**CWE**") have extended the term of the letter of intent and the deadline to enter into definitive agreement to December 31, 2024. All other terms and conditions of the letter of intent (as further described in Neural's press release dated October 3, 2024) remain unchanged.



### *Update on CSE Listing*

Further to the Company's press release dated May 8, 2024, Neural continues to work towards securing a listing ("**Listing**") of the Neural Shares on the Canadian Securities Exchange ("**CSE**"), which is contingent upon the Company meeting specific requirements set by the CSE, including, without limitation: (a) completion of a financing raising no less than \$500,000; (b) posting on SEDAR+ the required documents, including Form 2A – Listing Statement and other forms that may be required by the CSE; and (c) completion of any and all outstanding CSE application documentation and payment of fees pursuant to the policies of CSE. Neural is committed to satisfying these conditions promptly. Although there is no assurance that the Listing will be completed as described in this release or at all.

Listing is not conditional on closing of the transactions between CWE and Neural described herein, and the parties do not expect that the definitive agreement with CWE will be signed, or that the transactions between CWE and Neural will be completed prior to listing.

Further details regarding the Listing, the concurrent financing, and the transaction with CWE will be made available via press release and on Neural's website at [www.neuraltherapeutics.ca](http://www.neuraltherapeutics.ca),

Investment in securities of Neural shall be considered highly speculative and anyone considering purchasing such securities should consult their financial advisors and review Neural's SEDAR+ profile.

### **About Neural**

Neural is a pioneering drug discovery company focused on plant-based therapeutics. The Company aims to deliver innovative psychedelic-based medicines and natural health products for the treatment of serious mental health conditions. Neural has established a supply chain in Peru to source certain specimen of mescaline containing cacti, such as the San Pedro cactus and is at the forefront of using ethnobotanical knowledge to create novel treatments for substance use disorders. Neural is advancing research into sub-hallucinogenic doses of mescaline to unlock its therapeutic potential without psychoactive effects.

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

### **For further inquiries, please contact:**

#### **Neural Therapeutics Inc.**

Ian Campbell, CEO

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## **CAUTIONARY DISCLAIMER STATEMENT**

*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 ("FLS"), which are often identified by terms such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. All statements other than statements of historical fact, included in this release are FLS 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. The reader is cautioned not to place undue reliance on any FLS. 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. FLS contained in this news release are expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, 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](http://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.*

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