



NEURAL THERAPEUTICS INC.

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF
OPERATIONS FOR THE THREE AND SIX MONTHS
ENDED JANUARY 31, 2025**

March 31, 2025

NEURAL THERAPEUTICS INC.

Interim Management's Discussion & Analysis – Quarterly Highlights

For the six months ended January 31, 2025

(Expressed in Canadian Dollars)

The following interim management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Neural Therapeutics Inc. ("Neural", or the "Company" constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended January 31, 2025, and 2024. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2024, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The information contained herein is presented as of March 31, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Neural's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. Neural expects any direct impacts, of the pandemic and the military action in Ukraine, to the business to be limited; however, the indirect impacts on the economy and on the pharmaceutical industry could negatively affect the business and may make it more difficult for Neural to raise equity or debt financing. There can be no assurance that Neural will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position, and cash flows in the future.

Neural's board of directors approved the release of this MD&A on March 31, 2025.

FORWARD LOOKING INFORMATION

Certain statements and information contained herein may constitute "forward-looking statements" and "forward- looking information," respectively, under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The forward-looking statements are not historical facts, but reflect the current expectations of management of Filament regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements.

Forward-looking statements regarding Neural are based on Neural's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of Filament to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward- looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws. For more information on forward-looking information, please refer to the section entitled "*Cautionary Note Regarding Forward Looking Statements*" of this MD&A.

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CORPORATE OVERVIEW

Neural Therapeutics Inc. ("**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 effective significant treatment is available today. Neural's key ingredient is mescaline derived from sustainable legal and cultivated sources, including the San Pedro cactus. Neural is working to identify where plant-based traditional-medicine has proven to be effective and capitalize on the development of pharmaceutical and nutraceutical path to market that is compliant with applicable regulations.

Neural is in the business of developing products from plants containing psychedelic components that have a historical high record of safety and therapeutic value. Since inception, Neural has primarily focused on the discovery and development of cacti containing the psychoactive compound mescaline. Since its inception in early 2020, Neural has been focused on filling the scientific literature gap that exists between recreational/religious niche applications and main-stream pharmaceutical acceptance. Recognizing that the pathway to full acceptance while dealing with a controlled substance has inherited challenges and rewards. Neural is well positioned to be the world leading expert in products derived from cacti of the *Echinopsis* genus.

On May 23, 2023, Neural became an unlisted reporting issuer in the Provinces of British Columbia, Alberta and Quebec, pursuant to a plan of arrangement (the "**Plan of Arrangement**") between the Company and Vertical Peak Holdings Inc. ("**Vertical Peak**"), more particularly described in the management information circular of Vertical Peak and the amended and restated arrangement agreement dated February 24, 2023 ("**Arrangement Agreement**") between Neural and Vertical Peak available on Neural's profile on www.sedarplus.ca.

As at March 31, 2025, the members of Company's management and Board of Directors consisted of:

Name	Position
John Durfy	Chairman of the Board
Ian Campbell	Director, Chief Executive Officer and Secretary
Omar Gonzalez	Chief Financial Officer
Alex Storcheus	Director
Eran Ovadya	Director
Colin McLelland	Director
Carlos Davidovich	Director

Q2 ENDED JANUARY 31, 2025 - FINANCIAL AND BUSINESS HIGHLIGHTS***Extension of Letter of Intent with "Hanf.com"***

By mutual agreement, Neural and CWE (dba Hanf.com) have extended the term of their letter of intent and the deadline to enter into a definitive agreement to April 30, 2025. All other terms and conditions of the letter of intent (as further described in Neural's press release dated October 3, 2024) remain unchanged.

Warrant Extension

On January 28, 2025, Neural Board approved an amendment of expiry date of 4,999,993 common share purchase warrants ("**Neural Seed Warrants**") and 575,800 broker warrants ("**Neural Seed Broker Warrants**") from February 3, 2025 to February 3, 2026. Neural Seed Warrants and Neural Seed Broker Warrants were issued to subscribers in the first tranche of the Neural Seed Financing, which closed on February 3, 2022. All other terms of the Neural Seed Warrants and Neural Seed Broker Warrants will remain unchanged.

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Deferral Agreements, Consultant Agreement and HCA Termination Agreement

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.

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.

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 of \$4,125 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 \$0.15 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 way of press release.

BUSINESS DESCRIPTION

Neural is a Canadian-based ethnobotanical drug discovery/development company focused on developing products and conducting research with psychoactive plants. The first being San Pedro a cactus containing mescaline, a naturally occurring hallucinogen that is found in certain psychoactive plants and has been in continuous use for at least 5,700 years in South America, namely Peru, Bolivia and Colombia. Neural intends to collect and aggregate data over the next 12 months to refine its pharmaceutical drug development and natural health product pipeline. To date, Neural's activities to develop its business focused on product and intellectual property development, conducting initial research and development to guide its drug development strategy, and various corporate and business development activities. Neural's registered office and corporate headquarters are in Canada, but Neural may conduct its research and development efforts, including, cultivation, extraction, processing, product manufacturing, pre-clinical and clinical trials, in jurisdictions outside of Canada, United States and Peru. Neural only works with parties who hold or will obtain all necessary permits and licenses to operate in the jurisdictions where they are located during the time they are engaged by Neural.

Neural is a development stage company and has not earned any revenue to date and has focused on developing its business in two main platforms as follows: (1) pharmaceutical pathway; and (2) nutraceutical pathway, each of which are briefly described below.

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Pharmaceutical Pathway (with mescaline)

Neural is taking steps to create mescaline-based products to compete in the emerging psychedelics market. Neural is in the process of developing a line of *San Pedro*-derived products that will help with various health objectives. The initial research and development work will focus on the active ingredients' reproducibility by means of molecular and DNA analysis, identity testing, specifications and formulation. As noted above, Neural entered into an agreement with Cayetano University to assist with the fundamental research and development activities to enable the submission of an investigative new drug ("**IND**") application.

The second fundamental research and development activity is preparation for the initial safety studies (being pre-clinical and toxicology tests to that the standard of reasonable expectation of safety for human consumption is met). Neural is in the process of securing relationships with various contract research organizations ("**CRO**") to assist with those efforts. At present, Neural is in advanced discussions with several potential CROs in various jurisdictions. In connection with the preparation to conduct the studies, Neural also intends to establish a relationship with manufacturing partners and to test its supply chain, extraction, and product development capabilities for such mescaline containing products. The efforts to commence these studies are ongoing and are subject to Neural securing the contractual relationships with parties which hold necessary permits and have the capabilities to conduct such research and development efforts.

As a result of its planned initial pre-clinical and clinical research efforts, Neural intends to carefully select specific drug candidates and diseases that it believes offer the greatest opportunity for therapeutic efficacy and commercial success. In consultation with various academic institutions, researchers, clinicians, and psychedelic industry opinion leaders, the goal of Neural's pharmaceutical division is to design clinical development programs that have clearly defined and achievable endpoints, that are expected to increase Neural's chance of commercial success.

Nutraceutical Pathway

In parallel with pursuing clinical research studies, Neural aims to investigate utilization of the pulp fiber from the cactus to manufacture products that would be used for weight loss supplements, dietary supplements, dietary fiber and diabetic food. Neural intends to partner with companies which have nutraceutical product manufacturing capabilities, to develop such products and secure required regulatory approvals to market such products in the United States and Canada. Neural is, at present, among very few companies that would offer cactus-based supplement products and, to Neural's knowledge, the only company to offer mescaline-free dietary supplements and NHPs that are based on the San Pedro cactus, and Neural believes that such a position will give it an early-mover advantage in this regard. Demonstrating product safety at pre-determined levels of dosage is an integral part of the regulatory process to register its products with the FDA and Health Canada.

SIGNIFICANT TRANSACTIONS AND FINANCINGS

- On December 13, 2024, Neural settled \$42,650 of indebtedness ("**December 2024 Debt Settlement**") owed through the issuance of 1,421,668 Neural Shares at a price of \$0.03, which included settlement of \$52,650 of indebtedness with vendors.
- As of January 31, 2025, the Company has received \$518,500 for the ongoing private placement of Neural Shares and recorded it in shares to be issued.

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COMMITMENTS AND CONTINGENCIES**Securities Issuable Pursuant to the FMI Capital Advisory Inc. (“FMICA”) Agreement**

In accordance with the terms of an advisory agreement with FMICA dated December 17, 2021, subject to the completion of a listing of its common shares on a recognized Canadian exchange and concurrent financing, the Company is obliged to issue a fee payable in a form of Neural Shares (plus HST in cash) equal representing up to 5% of the issued and outstanding capital of the Company after completion of Listing, which was satisfied through the issuance of 4,223,834 Neural Shares to FMICA on March 7, 2025. Alex Storcheus, a director of the Company is also a director of FMICA and owns an indirect 30% interest in FMICA.

RSU Issuances

In accordance with the terms of an advisory agreement with a former officer of Neural, Neural committed to issue 366,667 shares. Terms and conditions of this agreement are yet to be finalized.

SELECTED QUARTERLY INFORMATION

The following is a summary of the Company's quarterly financial results for the eight most recently completed quarters to January 31, 2025:

For the quarter ended:	January 31, 2025 \$	October 31, 2024 \$	July 31, 2024 \$	April 30, 2024 \$
Net loss	115,840	100,604	209,031	122,672
Loss per share from operations	0.00	0.00	0.00	0.00

For the quarter ended:	January 31, 2024 \$	October 31, 2023 \$	July 31, 2023 \$	April 30, 2023 \$
Net loss	176,468	157,859	183,398	293,192
Loss per share from operations	0.00	0.00	0.00	0.01

DISCUSSION OF OPERATIONS**Sales Revenue and Gross Profit**

Neural did not have revenues or gross profit during the three and six months ended January 31, 2025.

Operating Expenses

Operating expenses during the three months ended January 31, 2025 were \$115,840 compared to \$176,468 during the corresponding three months ended January 31, 2024. This decrease was primarily due to the following:

- A decrease in salaries, wages and benefits of \$7,492 as a result of the amendment of compensation agreements with Neural's management team's salaries;
- An increase in consulting fees of \$18,066 as a result of more contracting consultants to assist with the business development, preparation for the listing on the CSE and certain scientific activities;
- An increase of \$5,154 in general and administrative fees, mainly as a result of an increase in general and administrative expenses incurred in the year; and
- A decrease of \$71,792 in research expenses, due to decreased overall activity due to preparation to execute the research and development activities following the completion of the financing.

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Operating expenses during the six months ended January 31, 2025 were \$216,444 compared to \$334,327 during the corresponding six months ended January 31, 2024. This decrease was primarily due to the following:

- A decrease in salaries, wages and benefits of \$7,492 as a result of the amendment of compensation agreements with Neural's management team's salaries;
- An increase in consulting fees of \$7,106 as a result of more contracting consultants to assist with the business development, preparation for the listing on the CSE and certain scientific activities;
- A decrease of \$128,748 in research expenses, due to decreased overall activity due to preparation to execute the research and development activities following the completion of the financing.

LIQUIDITY AND CAPITAL RESOURCES

Neural's financial success is reliant on management's ability to identify and evaluate suitable growth and acquisition opportunities and maximize the potential of these opportunities. In order to fund future growth opportunities and corporate overhead, Neural may seek additional financing through debt or equity offerings. Any equity offering will result in a dilution of the ownership interests of Neural's shareholders and may result in a dilution of the value of such interests.

Liquidity risk is the risk that Neural will not have sufficient cash resources to meet its financial obligations as they come due. The ability of Neural to continue as a going concern is dependent on its ability to obtain funding, manage cash flows, restructure borrowings and recover funds loaned to borrowers that have currently been provided against or recover collateral that secured those loans. There is significant uncertainty as to whether Neural will be able to continue as a going concern and therefore, whether it will continue its normal business activities and realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should Neural not continue as a going concern. In the short term, the continued operations of Neural may be dependent upon its ability to obtain additional financing. Without this additional financing, Neural may be unable to meet its obligations as they come due. There can be no certainty that Neural can obtain these funds, in which case any investment in Neural may be lost.

As at January 31, 2025, Neural had a working capital of \$267,964 (July 31, 2024 – working capital deficiency of \$210,169), and had accumulated losses of \$4,353,186 (July 31, 2024 - \$4,136,742). Neural expects to be able to meet its financial obligations in the near future but intends to undertake additional capital raises and seek deferral of forgiveness of some of its accrued liabilities to remedy the working capital deficiency.

Cash Flow Operating activities

Net cash used in operating activities during the six months ended January 31, 2025 totaled \$8,456 compared to cash used of \$250,553 in the six months ended January 31, 2024. This decrease in net cash used in operating activities was primarily due to an increase in long-term liabilities, and overall lower net loss for the period, offset by the reduction of certain accounts payable and accrued liabilities and a decrease in harmonized sales tax receivable.

Financing activities

During the six months ended January 31, 2025, net cash generated in financing activities totaled \$461,735 compared to net cash generated of \$47,414 in the corresponding prior period 2024. The increase is primarily due to an increase in proceeds from private placement subscriptions.

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Foreign currency exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. Neural enters into foreign currency purchase transactions and has assets and liabilities that are denominated in foreign currencies and thus is exposed to the financial risk fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. Neural does not currently use derivative instruments to reduce its exposure to foreign currency risk.

An increase (decrease) of 10% in the currency exchange rate of the Canadian dollar versus US dollar would have impacted Neural net loss by \$3,111 (July 31, 2024 - \$nil) as a result of Neural's exposure to currency exchange rate fluctuations.

PROMISSORY NOTE

As at January 31, 2025, the Company has a promissory note of \$11,885 (July 31, 2024 - \$11,238) provided by Northern Star Capital Inc. ("NSCI"), a company that is 100% owned by Alex Storcheus, a director of the Company. The outstanding balance is secured, bears an annual interest rate of 13%, and due on the earliest of refund of the harmonized sales tax (HST) or February 28, 2024. The promissory note included principal amounts of \$11,000 (July 31, 2024 - \$11,000) and interest accrued of \$885 (July 31, 2024 - \$238). The promissory note was repaid by the Company subsequent to January 31, 2025.

CAPITAL MANAGEMENT

Neural includes cash and cash equivalents and shareholders' equity, comprising issued common shares, contributed surplus and deficit, in the definition of capital. Neural manages its capital structure and makes adjustments to it, based on the funds available to Neural. Neural's objectives when managing its capital are to safeguard Neural's ability to continue as a going concern in order to support ongoing initiatives, to provide sufficient working capital to meet its ongoing obligations and to pursue potential acquisitions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of Neural, is reasonable. Neural is not subject to externally imposed capital requirements. Neural has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

OFF-BALANCE SHEET ARRANGEMENTS

Neural has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Neural is not a party to any agreement for proposed transactions.

SUBSEQUENT EVENTS**Closing of Series A Financing**

On March 7, 2025 (the "**Closing Date**"), the Company closed the final tranche of the Series A Financing, raising \$518,500 through the issuance of 17,283,329 Neural Shares at a price of \$0.03 per Neural Share. In connection with the closing of the final tranche of the Series A Financing, Neural paid cash finder's fees of \$38,480 and issued 1,282,666 finder's warrants ("**Finder Warrants**"). Each Finders' Warrant is exercisable into Neural Shares at a price of \$0.05 per Neural Share until March 7, 2027. Securities issued in the final tranche of the Series A Financing are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

CSE Listing Approval and Commencement of Trading

On March 10, 2025, the Company announced that the CSE has conditionally approved the listing ("**Listing**") of Neural Shares, which is expected to occur shortly, subject to Neural fulfilling all listing

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requirements of the CSE. A Form 2A Listing Statement dated March 7, 2025 (the "**Listing Statement**"), has been filed with the CSE and is available under Neural's profile on www.sedarplus.ca and on the CSE website.

Neural Shares are expected to commence trading on the CSE under the ticker symbol "**NURL**". Neural will provide an update once the CSE issues a bulletin confirming the date on which trading on the CSE will commence.

Issuance of Neural Share Purchase Warrants

As further described in a press release dated November 25, 2024, Neural has issued 21,467,163 common share purchase warrants (each a "**Warrant**"), as follows: (a) 1,381,426 Warrants to Ian Campbell, CEO and Director of Neural; (b) 6,715,967 Warrants to John Durfy, Chairman of Neural; and (c) the balance 13,369,770 Warrants in connection with consulting agreements and debt settlements with other parties (please see Listing Statement for further details). Each Warrant is exercisable into one Neural Share at a price of \$0.05 per Neural Share until March 7, 2028, subject to acceleration by the Company, provided that the Neural Shares trade at a volume-weighted average price of \$0.15 or higher for a period of at least 10 consecutive trading days. If this condition is met, Neural may accelerate the expiry date by giving at least 30 days' notice. The Warrants were issued on March 7, 2025 and are subject to a statutory hold period of four months plus one day from the date of issuance in accordance with applicable securities legislation.

Stock Success Fee Issuance

Concurrently and in connection with Listing, Neural issued 4,223,835 Neural Shares at a price of \$0.03 per Neural Share to FMI Capital Advisory Inc. ("**FMICA**"), representing the stock success fee payable to FMICA under the financial advisory agreement entered into by Neural and FMICA on December 17, 2021. Neural Shares issued to FMICA in representing the stock success fee are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Share Transfers and Early Warning Disclosure

As further described in Neural's press release dated November 25, 2024 and the Listing Statement available under Neural's SEDAR+ profile, Northern Star Capital Inc. ("**NSCI**"), a company 100% owned by Alex Storcheus, a director of Neural, acquired an aggregate of 8,858,881 Neural Shares ("**Transferred Shares**") from various parties, including 2,614,050 Neural Shares from Humber Capital Advisors Inc., a company 100% owned by John Durfy, Chairman of Neural.

NSCI also participated in the Series A Financing by subscribing for 833,333 Neural Shares. As a result of these transactions, in addition to Neural Shares acquired in past financings, Alex Storcheus, a director of Neural became an indirect beneficial owner of, and exercises control or direction over, an aggregate of 12,712,950 Neural Shares, representing approximately 14.33% of the issued and outstanding Neural Shares.

Included in the transfer were 8,089,321 Neural Shares ("**Transferred Escrow Shares**") were transferred to NSCI, which remained subject to escrow the provisions of an escrow agreement entered into pursuant to National Policy 46-201 - Escrow for Initial Public Offerings ("**NP46-201**") on May 23, 2023 ("**First Escrow Agreement**") entered in connection with the plan of arrangement between Neural and Vertical Peak Holdings Inc.

Effective on the Listing Date, the First Escrow Agreement was terminated and replaced by the Second Escrow Agreement, which was entered in connection with the Listing. The Second Escrow Agreement imposes more restrictive escrow provisions, aligning Neural's obligations as a newly listed issuer. All of Neural Shares which are currently subject to escrow under the First Escrow Agreement (which was set to conclude on May 23, 2026) are now subject to the Second Escrow Agreement and will be released according to its new schedule, which concludes three years from the Listing Date. Transferred Escrow Shares which were transferred to NSCI in reliance on Section 6.3(1)(a) of NP 46-201. Please see the Listing Statement for further details.

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OUTSTANDING SHARE DATA

The table below sets out the number of Neural Shares and other securities convertible into Neural Shares outstanding as at each of January 31, 2025, and the date that appears on the title page of this document:

Description of Security	Outstanding as at January 31, 2025	Outstanding as of the date hereof
Neural Shares	67,193,382	88,700,546
Neural Seed Warrants	5,546,667	5,546,660
Neural Seed Broker Warrants	596,600	596,600
Neural VP Warrants	2,000,000	2,000,000
Series A Broker Warrants	419,564	1,702,230
Neural Settlement Warrants	Nil	21,357,946
Neural Options ⁽¹⁾	-	-
Neural RSUs ⁽¹⁾	-	-
Rights	-	-

Notes:

(1) Neural Stock Option Plan and Neural RSU Plan were approved by Neural Shareholders at the Neural Meeting on January 6, 2023;

Related parties and key management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

On March 31, 2024, Ian Campbell - Chief Executive Officer and Director of Neural, John Durfy - Chairman of Neural, and FMICA each entered into a waiver and deferral agreements with Neural ("**Amended Deferral Agreements**"), pursuant to which each party agreed to defer the respective amounts outstanding to them as follows: \$283,510 (being the amount outstanding due to Mr. Campbell as of March 31, 2024), \$67,800 (being the amount outstanding due to Mr. Durfy as of March 31, 2024) and \$60,000 (being the amount outstanding due to FMICA as of March 31, 2024), until the earlier of: a) May 31, 2025; and b) Neural completing a financing for gross proceeds of no less than \$400,000 following Listing, excluding Series A Financing ("**Deferral Trigger Date**").

As at January 31, 2025 and July 31, 2024, the balance outstanding with them has been reclassified from current liabilities into long-term liabilities pursuant to the deferral agreements entered into on November 15, 2025, pursuant to which the Deferral Trigger Date until the earlier of until the earlier of: a) March 31, 2026; and b) Neural completing a financing for gross proceeds of no less than \$400,000 following Listing, excluding Series A Financing ("**Amended Deferral Trigger Date**").

The following is a summary of the key management compensation for the three and six months ended January 31, 2025 and 2024:

	Three Months Ended		Six Months Ended	
	January 31,		January 31,	
	2025	2024	2025	2024
Director fees (i)	3,750	22,500	26,250	45,000
Salaries (ii)	7,853	48,032	54,968	95,282
Professional fees (ii)	65,000	-	65,000	-
Marrelli Support Services Inc. (iii)	4,635	21,405	11,895	33,895
Total	81,238	91,937	158,113	174,177

- (i) During the three and six months ended January 31, 2025, the Company incurred \$63,750 and \$86,250 (three and six months ended January 31, 2024 - \$22,500 and \$45,000), respectively, of consulting fee paid to a company 100% owned by John Durfy, Chairman of the Company. As at January 31, 2025,

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\$nil (July 31, 2024 - \$115,725) was outstanding, as the amount has been assigned to NSCI, as the balance has been assigned to NSCI and included in long-term liabilities.

(ii) During the three and six months ended January 31, 2025, the Company incurred \$12,853 and \$53,032 (three and six months ended January 31, 2024 - \$48,032 and \$95,282), respectively, in salaries, consulting fees, vacation accrual, and bonus expenses to Ian Campbell, CEO of the Company. As at January 31, 2025, \$5,000 (July 31, 2024 - \$338,477) was outstanding, of which \$5,000 (July 31, 2024 - \$299,214) was included in accrued liabilities, as the balance has been assigned to NSCI and included in long-term liabilities.

(iii) During the three and six months ended January 31, 2025, the Company incurred \$4,635 and \$11,895 (three and six months ended January 31, 2024 - \$21,405 and \$33,895), respectively, for accounting and CFO services to Marrelli Support Services Inc. As at January 31, 2025, \$26,424 (July 31, 2024 - \$26,371) was included in accounts payable.

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 ("**NSCI Assignment Agreements**") to assign approximately \$551,318 of the Deferred Amount to NSCI, which further agreed to defer the amount until the Amended Deferral Trigger Date, which was the total Deferred Amount owing to NSCI as at January 31, 2025 (July 31, 2024 – Nil).

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.

RISK FACTORS

An investment in the Company's securities is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's CSE Form 2A Listing Statement dated March 7, 2025 and Annual MD&A for the fiscal year ended July 31, 2024, available on SEDAR+ at www.sedarplus.ca.

NEURAL THERAPEUTICS INC.

Interim Management's Discussion & Analysis – Quarterly Highlights

For the six months ended January 31, 2025

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate, and assets are safeguarded.

The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.

March 31, 2025

Ian Campbell - Chief Executive Officer

Omar Gonzalez - Chief Financial Officer