MINDBIO THERAPEUTICS CORP.

Amended and Restated Management's Discussion and Analysis
For the six months ended December 31, 2024

(Expressed in Australian Dollars)

OVERVIEW

This amended and restated Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of MindBio Therapeutics Corp. (The Group) for the six months ended December 31, 2024. . It is supplemental to, and should be read in conjunction with, the Company's audited consolidated financial statements and the accompanying notes for the years ended June 30, 2024 and 2023. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators. All dollar amounts in this MD&A are expressed in Australian dollars unless otherwise indicated.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

NOTICE TO READER

This management's discussion and analysis for the six months ended December 31, 2024 has been amended and is being refiled due to revisions included in the original management's discussion and analysis filed on January 20, 2025, and is prepared as of April 14, 2025. In particular, this MD&A contains updates related to:

- the Company's overall performance;
- discussion of operations;
- summary of quarterly results;
- liquidity and capital resources;
- related party transactions; and
- discussion and analysis on fourth quarter events or items that affected the Company's financial condition and financial performance.

The Company has provided updates on the subsequent events disclosure to the date of approval of this amended MD&A, being April 14, 2025.

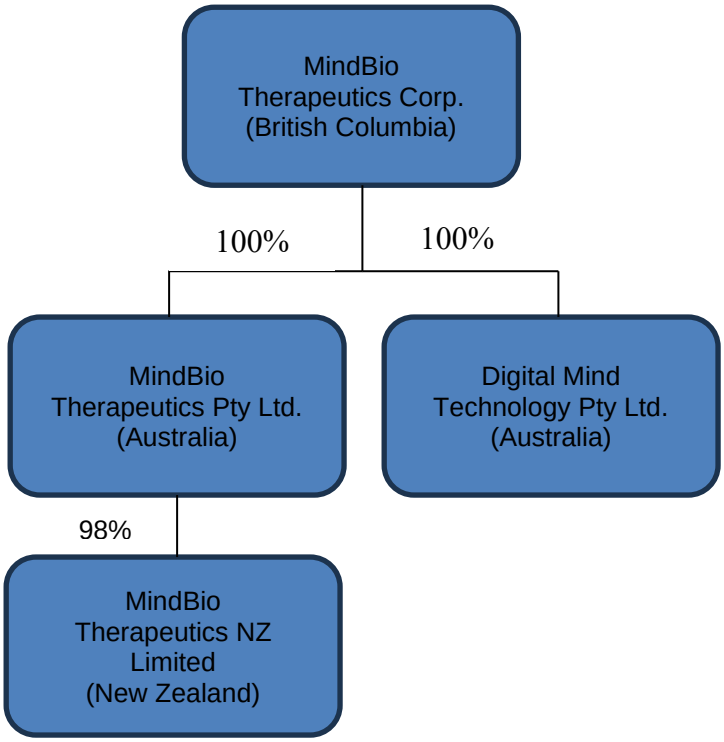
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements or forward-looking information ("forward looking statements"), which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Company's Listing Statement.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Listing Statement.

COMPANY OVERVIEW AND DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (British Columbia) on January 21, 2021, and the Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol of "MBIO". The Company's registered and records office is located at 1055 West Georgia Street, Vancouver, BC, Canada and it has two direct subsidiaries (MindBio Therapeutics Pty Ltd. ("MindBio Aus") and Digital Mind Technology Pty Ltd. ("DMTPL")) and one indirect subsidiary (MindBio Therapeutics NZ Limited ("MindBio NZ") as noted below.



The Company's core business relates to research and development into psychedelic substances as a potential treatment for the management of a broad range of mental health conditions. The Company's current focus is on the fully funded research being conducted on behalf of MindBio NZ at the University of Auckland in Auckland, New Zealand, as more fully set out in the Company's Listing Statement dated May 3, 2023 (the "Listing Statement"). Management has no operational updates on the Company's wholly-owned subsidiary, DMTPL, other than aspects of the technology has been integrated to MindBio NZ for use in clinical trials.

OVERALL PERFORMANCE

For the six months ended December 31, 2024 the company completed the June 30 2024 financial audit and filed all documents required on time and there were no audit issues. The company successfully raised $200,390 through a placement of 6,909,906 shares. Of the $200,390 raised, $50,000 was via a debt reduction by Riverfort. Riverfort also converted CAD $50,000 of the Riverfort loan by issuing 1,000,000 shares. The remaining balance of this loan is CAD $1,700,000 as at December 31, 2024.. the Company currently has two other outstanding unsecured, non-recourse loans to high net worth individual investors from Australia who are the seed funders of the Company, (the DMT loan and the MindBio Aust loan) became overdue and payable in the total amount of $2,799,984 with interest accruing. This early funding by way of the DMT and MindBio Aust loans assisted the Company in paying in advance for its Phase 1 and Phase 2A, Phase 2B trials that it has already completed and currently underway. Management is in the process of seeking capital to repay the loans and management is actively in contact with its lenders in this regard. Given the low market capitalization of the Company, the lender group broadly understands the difficulty that management has in raising large amounts of capital in the current economic environment. Management's view is the DMT loan and MindBio Aust loan can be repaid by way of a capital raise, potentially via an uplist to a larger exchange, an M&A transaction and or conversion or part conversion to shares over time with support of the lenders, who are all long term advocates and continue to support the Company.

The company progressed its two, Phase 2B clinical trials announcing some milestones achieved during the period. Both Phase 2B clinical trials are progressing with patient recruitment and dosing and currently are on schedule for completion by the end of 2025. The Company also completed its Phase 2A Depression trial and reported results of the trials including the achievement of its primary and secondary endpoints for the trials. The Company was pleased to report a 72% reduction in depressive symptoms sustained 6 months post treatment with the Company's lead candidate drug MB22001. There were no serious adverse events or side effects noted during the Phase 2A trial.

RESULTS OF OPERATIONS

For the six months ended December 31, 2023

For the six months year ended December 31, 2024, the Company had a net Loss and comprehensive loss of $425,159, compared with no revenue and a net Loss and comprehensive loss of $227,892 for the six months ended December 31, 2023.

Consulting, Advisory and Accounting expenses for the six months year ended December 31, 2024 were $86,656 (31 December 2023 $122,967). The reason for the difference is there has been less advisory work performed in the current period.

Finance charge for the six months year ended December 31, 2024 were $233,767 (31 December 2023 $122,967). The interest on the Investor loans for the period was $139,000 and FX conversion $94,000

Marketing expense for six months year ended December 31, 2024 were $10,178 (31 December 2023 $35,118). Marketing expense was lower due to reduced reliance on conferences and promotional activities.

Legal expenses for the six months year ended December 31, 2024 were $25,394 (31 December 2023 $65,480). There has been a reduced requirement for legal support during the period compared to last.

Other operating expenses for the six months year ended December 31, 2024 were $65,633 (31 December 2023 $53,539). This is stable and is expected to remain so for the short to medium term.

The investor relation expense for the six months ended December 31, 2024 was $2,808 (31 December 2023 $9,244). The reduction is due to a decreased reliance on investor relations activities for the period.

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of $425,159 ($0.003) per share) for the six months year ended December 31 2024 compared with a net loss of $227,892 ($0.001) per share) for the six months year ended December 31, 2023.

There were no adjustments to the carrying values on balance sheet nor any M&A activity for the period.

APPLICATION OF FUNDS RAISED

The placement closed in the period was for CAD 200,390. Of this amount, CAD 50,000 was via a reduction in debt for the Riverfort loan. The remaining amount was received in cash and will be applied in G&A commitments for the short to medium term.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Qtr 31-Dec-24	Qtr 30-Sep-24	Qtr 30-Jun-24	Qtr 31-Mar-24	Qtr 31-Dec-23	Qtr 30-Sep-23	Qtr 30-Jun-23	Qtr 31-Mar-23
Profit (loss) from continuing operations attributable to owners of the parent	(379,336)	(45,823)	(253,454)	65,704	(40,119)	(187,773)	(3,400,283)	(300,665)
- per share	(0.003)	0.000	(0.002)	0.000	0.000	(0.001)	(0.025)	(0.008)
- diluted per share	(0.003)	0.000	(0.002)	0.001	0.000	0.003	(0.072)	(0.010)
Profit (loss) attributable to owners of the parent	(379,336)	(45,823)	(322,678)	65,704	(40,119)	(187,773)	(3,400,283)	(300,665)
- per share	(0.003)	0.000	(0.002)	0.000	0.000	(0.001)	(0.025)	(0.008)
- diluted per share	(0.003)	0.000	(0.002)	0.001	0.000	0.003	(0.072)	(0.010)
Total assets	143,048	108,417	194,172	312,113	148,582	275,797	672,926	849,937
Total non current financial liabilities	310,476	310,476	310,476	4,344,202	4,295,892	3,166,813	3,166,812	4,916,458
Distributions or dividends declared	0	0	0	0	0	0	0	0

For the three months ended December 31, 2024

For the three months ended December 31, 2024, the Company had a net Loss and comprehensive loss of $379,336, compared with no revenue and a net Loss and comprehensive loss of $40,119 for the three months ended December 31, 2023. The difference is due to reduced operating expenses in the current period compared to the previous, noting that the current two Phase 2B clinical trials dosing and underway are fully funded and paid for in advance and dosing in these trials will continue until the end of 2025. Given the expenses for the trials were paid for in advance in years 2022 and 2023, the operating and R&D expenses of the company will not reflect the current activity seen in its two Phase 2B clinical trials and the expenses have not been capitalized to its balance sheet, but rather expensed as they occurred so that the Company can take advantage of the R&D tax credits and incentives available to early stage companies doing clinical research in Australasia.

Consulting, Advisory and Accounting expenses for the three months ended December 31, 2024 were $55,897 (December 31 2023 $99,176). The company has minimised consulting and advisory work for the short to mid term.

Finance charge for the three months ended December 31, 2024 were $163,861 (December 31,2023 $79,262). The interest on the Investor loans was $71,000 whilst the FX conversion was $92,000.

Marketing expense for the three months ended December 31, 2024 were $6,212 (December 31 2023 $16,729). Marketing expenses have been reduced for the period until the Company sees further results from clinical trials.

Legal expenses for the three months ended December 31, 2024 were $16,698 (December 31 2023 $2,523). The company paid some legal fees relating to prior activity in the current period, that were not accrued.

Other operating expenses for the three months ended December 31, 2024 were $39,119 (December 31 2023 $5,185).

The three months ended December 31, 2023 had revenue of $197,424 representing R&D payments received, where there was zero revenue received in the quarter ended December 31, 2024.

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of $379,336 ($0.003) per share) for the three months ended December 31, 2024 compared with a net loss of $40,118 ($0.00) per share) for the three months ended December 31, 2023.

Discussion of Operations

During the six months, the company has further tested MB22001 its lead candidate drug in Phase 2A trials (completed) and two Phase2B clinical trials currently dosing and underway.
MB22001 is a form of lysergic acid diethylamide, (a substance with unique qualities, also known as a psychedelic drug, that when consumed in large quantities can result in hallucinations and an overwhelming sense of well being. It is an illegal or prohibited substance globally and restricted from use). MB22001 is a form of lysergic acid that has been designed for safe, take home use in very small doses "microdoses". The Company is conducting its clinical trials in New Zealand through the University of Auckland led by Dr Suresh Muthukumaraswamy and a team of experienced researchers, engineers and academics. The Company, has funded its clinical trials by paying the University of Auckland upfront for this work in 2022 and 2023, and has the first right and option to commercialise any of the intellectual property that arises through the clinical trials, with academics having the right to publish the results of their work. The trials have government approval through Medsafe and other regulatory bodies in New Zealand to handle MB22001 and dose patients with what would normally be considered a prohibited drug in the community for the purposes of research and potential treatment of mental health conditions.

During the period, the Company progressed its research with MB22001 through clinical trials and reported on:

1 Completion of a Phase 2A trial in patients with Major Depressive Disorder. All primary and secondary measures were achieved in the trials noting a 72% sustained anti-depressant response 6 months post treatment and no adverse events or serious side effects reported. This trial is fully funded with all obligations of the Company paid upfront and in advance in years 2022 and 2023.

2 Dosing in a Phase 2B trial in Patients with Major Depressive Disorder. This is a randomized double dummy, triple blind active placebo-controlled trial in patients with Major Depressive Disorder. Patient recruitment is progressing well in this trial with more than half of the trial participants admitted into the trials. This trial is due for completion by the end of 2025. This trial is fully funded with all obligations of the Company paid upfront and in advance in years 2022 and 2023.
3 Dosing in Phase 2B trial in Patients with Advanced Stage Cancer. This is a randomized double-blind placebo controlled trial in patients with advanced stage cancer experiencing depression, anxiety and existential distress. Recruitment is progressing well with more than half the patients admitted to the trial to date. This trial is due for completion by the end of 2025. This trial is fully funded with all obligations of the Company paid upfront and in advance in years 2022 and 2023.

The final milestone for the Phase 2A trial was completed (announced October 22). Also, the company developed a long-term shelf stable microdosing formulation of MB22001 (announced October 8). The Phase 2A trial in patients with major depressive disorder, met all primary and secondary measures with a 72% reduction in the severity of depression sustained 6 months after clinical treatment (as announced October 29). All of these achievements for the period have marked good progress for continuing research and product development with MB22001, noting there were no serious side effects or adverse events reported in the Phase 2A trial.

On 14 May 2024, the company announced that Enveric Biosciences Signs $66.5 million non binding term sheet with MindBio Therapeutics to Out License Novel Psilocin Prodrug Candidate for Mental Health Disorders. The Company has been unable to progress this arrangement, namely because the Company needs to raise capital in order to operate the necessary clinical trials to test the Psilocin Prodrug.

OPERATIONAL HIGHLIGHTS

On July 8, 2024 the CEO provided an update to the shareholders regarding clinical trials in treating major depressive disorders and advanced stage cancer.

On August 1, 2024 The Company appointed Haywood Securities to assist with assessing strategic investment opportunities and assist in raising capita.
On August 19, 2024 the company announced sustained antidepressant response 3 months post treatment in microdosing depression clinical trials. The Company was pleased to announce its lead candidate drug MB22001, 3 months post cessation of treatment continued to have a sustained anti-depressant response on patients.

On August 29, 2024 the CEO provided a video update on the progress of clinical trials.

On September 23, 2024 the company announced that it had enrolled the 25th participant into take home microdosing depression trial.

On October 8, 2024 the company announced that it had developed long term shelf-stable microdosing formulation and is progressing in multiple phase 2b clinical trials.

On October 22, 2024 the company announced that it had completed the final post treatment milestone in Phase 2A microdosing clinical trials.

On October 24, 2024 the company announced clinical milestones in phase 2B microdosing trials targeting distress, depressions and anxiety in advanced stage cancer. The Company has started dosing the 20th participant and had reached the half way mark. The results are positive without any clinically significant abnormalities.

On October 29, 2024 the company announced that data show a 72% reduction in the severity of depression sustained six months after treatment in clinical trials.

On December 9, 2024 the company announced that the private placement was completes and that the relevant securities were issued.

LIQUIDITY AND CAPITAL RESOURCES.

At December 31, 2024, the company had negative working capital of $5,648,901, and had operational cash outflows of $220,595. The company had cash reserves of $73,135. The statements of financial position as of December 31, 2024, indicated a cash position of $75,135 (June 30, 2024 - $138,703), and total current assets of $143,048 (June 30, 2024 - $194,172). The change in current assets reflects an operational cash outflow of $22,0595 and proceeds from issue of shares of $165,027.

The company has prepaid for work to complete the phase 2B clinical trials and has reduced operational expenditure to a minimum. The commitments that the company has in the short term are (to June 30, 2025) :

Administration	40,000
Listing expenses	10,000
Payment of audit fee	50,000
Total	100,000

The company expects to receive GST receipts from the NZ Government in the short term of $67,000. As the counterparty is the New Zealand Government, the company does not have any concerns with default on debts owed to it.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and is in the process of raising additional funding to fund its overhead expenses and the development of its products. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate enough cash from its operations in the foreseeable future, the Company will have to rely on loans from external or related parties and the issuance of shares, to fund ongoing operations. The Company expects to raise funds by way of a private placement as well as receiving an R&D tax credit payment of $48,000 from the Government of New Zealand. It is expected that the commitments above will be able to be met through these means, and carry the Company through Phase 2B clinical trials, when a more substantial financing will be sought. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

This MD&A has been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at June 30, 2024, the Company has accumulated significant losses since inception and expects to incur further losses in the development of its business, all of which are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations.

Investor Loans

During March to May 2022, MindBio Aust issued loans to investors with gross principal amount of $1,394,984. The terms of the debt are as follows:

- The unsecured loans attract interest of 10% per annum;
- They are repayable after 18 months of MindBio Aust, or its designated listed company vehicle, being listed as a public company, or after 18 months of a designated listing event not being successful;
  The loan therefore became due and payable on 5 November 2024; and
- The holders of the loans are subject to receive bonus shares at a price of $0.08 Canadian Dollars per share.
  The number of bonus shares issuable equals to 20% of the principal amount of the loan.

The loan became due and payable on 5 November 2024, continues to accrue interest and the Company will need to raise capital in order to repay the loans. To date the Company has not been able to raise the required capital to repay the loans. The Company is in the process of working on and assessing the merits of various options including a larger stock exchange listing to obtain access to larger investors, an M&A transaction and or conversion of the loans into securities of the Company. The Company is in regular contact with its lenders, who are supportive of the Company and understand the current market dynamics and low market capitalisation of the Company which is making it difficult to raise the required sum of money to repay the loans. Management is currently working on a solution and will update the market in due course.

DMT loan
During June to August 2021, DMT issued loans to investors with gross principal amount of $1,405,000. The terms of the debt are as follows:

- The unsecured loans attracted an upfront interest payment of 10%;
- They are repayable within 30 business days of a successful listing of the Group or in the event of the listing of the Group being unsuccessful;
- On 10 March 2022, the terms of the loan were amended. Under the amended terms, the loans are repayable on 1 August 2024, if not repaid earlier.

The loan became due and payable on 1 August 2024, continues to accrue interest and the Company will need to raise capital in order to repay the loans. To date the Company has not been able to raise the required capital to repay the loans. The Company is in the process of working on and assessing the merits of various options including a larger stock exchange listing to obtain access to larger investors, an M&A transaction and or conversion of the loans into securities of the Company. The Company is in regular contact with its lenders, who are supportive of the Company and understand the current market dynamics and low market capitalisation of the Company which is making it difficult to raise the required sum of money to repay the loans. Management is currently working on a solution and will update the market in due course.

MindBio NZ Loan - Riverfort

The Company has a loan outstanding with Riverfort Global Opportunities PCC Ltd. As at 30 June 30 2024, the loan totalled CAD 1,800,000. In December 2024, CAD 50,000 of this loan was converted into shares at 5 cents per share. 1,000,000 ordinary shares were issued. Also in December, Riverfort subscribed for CAD 100,000 in the share placement and paid CAD 50,000 in cash and CAD 50,000 via a debt reduction. The amount outstanding on this loan as at December 31, 2024 is CAD 1,700,000. As this loan is of a convertible nature and the Company will continue to issue a number of common shares upon the exercise of the conversion option.

The loan was fair valued at $1,912,159 as at December 31, 2024, and in the 6 months to December 31, 2024, the company recognised an FX loss of $7,575 attributable to this loan.

Consequently, the Company currently has the DMT loan and the MindBio Aust loans which are both unsecured and non-recourse, due and payable in the total amount of $3,080,305 with interest accruing. The MindBio NZ loan will continue to convert in to shares at the election of Riverfort. Management is actively seeking a solution to repay the DMT and MindBio Aust loans, including a potential uplisting to a larger exchange, an M&A transaction and or converting some or all of the debt over time to shares in the Company. The lenders that are parties to the DMT loan and MindBIo Aust loans are all high-net-worth individual investors and mostly are from Australia and represent the seed funders of the Company that continue to support management's efforts in the Company.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

FINANCING ACTIVITIES
The following table summarizes the issuances of the Group's common shares as at 31 December 2024:

		Share capital		
	Date	**Shares [(1)]**	**Cents [(1)]**	**$**
Balance as at 30 June 2023		133,047,305		5,372,815
Conversion by Riverfort of CAD100,000 debt to equity	11/04/2024	2,000,000	CAD 0.05	111,711
Balance as at 30 June 2024		135,047,305		5,484,526
Conversion by Riverfort of CAD50,000 debt to equity	9/12/2024	1,000,000	CAD 0.05	54,813
Placement of ordinary shares	9/12/2024	6,909,906	AUD 2.4	165,027
Balance as at 31 December 2024		142,957,211		5,704,366

Options on Issue

Options outstanding	Number of options	Exercise price	Expiry date
	-	-	
Granted on 1 May 2023	26,593,250	$0.10 CAD	1 May 2026

As of 31 December, 2024, there were a total of 26,593,250 options exercisable. The weighted average remaining life for the options is 1.33 years. The weighted average exercise price of the options is $0.10 CAD.

Warrants issued

Options outstanding	Number of warrants	Exercise price	Expiry date
Granted 5 May, 2023	17,398,422	$0.05 CAD	5 May, 2025
Total	17,398,422		

As at 31 December 2024, there were a total of 17,398,422 warrants on a post share split basis outstanding with a weight average remaining life of 0.34 years and an exercise price of $0.05 CAD. The warrants that were issued to the Blackhawk shareholders as a result of the spinout transaction expired in the quarter ended December 2024 and were not exercised.

DIRECTORS AND OFFICERS COMPENSATION

The director and officer compensation for the period is summarised in the following table:

RELATED PARTY TRANSACTIONS

REMUNERATION OF KEY PERSONNEL

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.
The transactions with the related parties of the financial year are summarized as follows:

Related Party	Consulting	Director fee	Total
	$	$	$
Accelerative Investments	40,000	-	40,000
John Dinan	10,000	-	10,000
Total	50,000	-	50,000

Justin Hanka (CEO) owns Accelerative Investments Pty Ltd and is paid for services rendered as a CEO.
John Dinan (CFO) is paid for services rendered as a CFO.

SUBSEQUENT EVENTS

On January 21, 2025, the Company entered into a letter of intent to acquire Life AI Corp Pty Ltd. ("Life AI"), a health-focused company with technology in health and artificial intelligence. The Company entered into a definitive share

purchase agreement with Life AI and all of the shareholders of Life AI to acquire Life AI on March 24, 2025 (the "SPA"). Life AI's most advanced technology in development is a smartphone-based application (the "Booze AI App") used for alcohol intoxication detection. Pursuant to the terms of the SPA, the Company acquired all of the issued and outstanding shares of Life AI through the issuance of 35,000,000 common shares of the Company (the "Consideration Shares") to the existing shareholders of Life AI. The Consideration Shares are subject to a four-month-and-one-day statutory hold period, expiring on July 26, 2025. The acquisition of Life AI was not a fundamental change for the Company, nor did it result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange.

Justin Hanka, the Chief Executive Officer of the Company, was a director and shareholder of Life AI. As a result, the acquisition of Life AI was considered a "related party transaction" for the purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on the exemptions from the formal valuation and minority shareholder approval requirements contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the issuance of the Consideration Shares to the related party will not exceed 25% of the market capitalization of the Issuer, as determined in accordance with MI 61-101.

SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements for the financial year ended June 30, 2024, were prepared using accounting policies consistent with IFRS. A summary of material accounting policies under IFRS is presented in Note 3 of the consolidated financial statements of the Company for the financial year ended June 30, 2024.

RISK FACTORS AND RISK MANAGEMENT

The following are certain risk factors relating to the business carried out by the Company which prospective investors should carefully consider before deciding whether to purchase the Company's securities. The risks presented below may not be all of the risks that the Company may face. The Company will face a number of challenges in the development of its business. Due to the nature of the Company's business and the present stage of the business, the Company may be subject to significant risks. Sometimes new risks emerge, and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below.

Regulatory risks

Successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements from time to time enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the development and sale of regulated psychedelic products. The psychedelic industry is a new and emerging industry with ambiguous existing regulations and uncertainty as to future regulations; 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 its future products, or the extent of testing and documentation that may, from time to time, be required by governmental 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. Failure to comply with regulations may result in additional costs for corrective measures, penalties or result in restrictions on the Company's operations.

Violations of Laws and Regulations Could Result in Repercussions

Certain psychedelics, including psilocybin and psilocin, are classified as illegal substances under the CDSA other than when used for scientific or medical purposes. The Company's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, territorial, and local governmental agencies. While the Company is focused

on psychedelics, specifically psilocybin and psilocin, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. If the Company's historical, current or future operations were found to be in violations of any such laws, the Company may be subject to enforcement actions in such jurisdictions including but not limited to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government programs, injunctions, or refusal to allow the Company to enter into certain contracts, any of which could adversely affect the Company's ability to operate its business and its results of operation. Local, provincial and federal laws and regulations governing psychedelics are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with bringing the Company's operations into compliance. In additional, violation of these laws or allegations of such violations could disrupt the Company's operations and result in a material adverse effect on its financial performance. It is beyond the Company's scope to predict the nature of any future change to existing laws, regulations, policies, interpretations or applications, nor can the Company determine what effects such changes, when and if promulgated, could have on the Company's business.

Research, Development and Manufacturing – Reliance on Third Parties

The Company does not have the required licenses to conduct its own research and development on LSD. Research and development by the Company has been conducted by the University with proper licensing. The early stage of the Company's research makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements.

Commercialization of LSD

Given the early stage of product development, there can be no assurance that the Company's research and development programs into LSD will result in regulatory approval or commercially viable products. The Company currently has no products that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for product candidates in the psychedelic space, clinical trials must demonstrate that the product candidates are safe for human use and that the product candidates demonstrate efficacy.

Clinical trial failure risk

Before obtaining marketing approval from regulatory authorities for the sale of any psilocybin product candidates, the Company must conduct extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical trials are expensive. Design and implementing clinical trials is complex and presents many opportunities for failure, particularly with mental health disorders as the target indication. Clinical trials may take many years to complete and carry uncertain outcomes. The outcome of preclinical 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 results. Several 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 cannot predict whether future clinical trials will demonstrate adequate efficacy and safety to result in regulatory approval to market any of the psilocybin product candidates. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk to the Company is the possibility that none of its product candidates will successfully gain market approval from Health Canada or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants may have access, in the course of their duties, to personal information of related to research at the University and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future patients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a patient's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Reliance on third parties to conduct clinical trials

The Company relies on the University to conduct clinical trial on MB22001. 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 will face delays. Further, if the University fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's studies could be delayed, cancelled or rendered ineffective.

Risks related to the regulatory environment

The production, labeling and distribution of the product that the Company plans to develop are regulated by various federal, state and local agencies. These governmental authorities may commence regulatory or legal proceedings, which could restrict the permissible scope of the Company's product claims or the ability to sell its products in the future.

Controlled Substance Legislations

Most countries are parties to the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol, 30 March 1961 (as amended by the 1972 Protocol), 976 UNTS 14152 (entered into force 13 December 1964), the Convention on Psychotropic Substances, 21 February 1971, 1019 UNTS 14956 (entered into force 8 August 1975) and the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 20 December 1988, 1582 UNTS 27627 (entered into force 11 November 1990). Together, these conventions govern international trade and domestic control of narcotic substances, including cannabis and psychotropic substances, such as psilocybin. Countries may interpret or implement their treaty obligations in a way that creates a legal obstacle to our obtaining marketing approval for the Company's product candidates in those countries. These countries may not be willing or able to amend or otherwise modify their laws and regulations to permit the Company's product candidates to be marketed, or achieving such amendments to the laws and regulations may take a prolonged period of time.

Regulatory approval risks

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 product candidates, or the therapeutic areas in which product candidates compete, could adversely affect the Company's share price and ability to finance future development of product candidates, and the Company's business and financial results could be materially and adversely affected.

The Company is a holding company and depends upon its subsidiaries for its cash flows

The Company is a holding company. All of the Company's operations are conducted, and almost all of its assets are owned, by its subsidiaries. Consequently, the Company's cash flows and its ability to meet its obligations depend upon the cash flows of its subsidiaries and the payment of funds by these subsidiaries to the Company in the form of dividends, distributions or otherwise. The ability of the Company's subsidiaries to make any payments to the Company depends on the subsidiaries' earnings, the terms of their indebtedness, including the terms of any credit facilities and legal restrictions. Any failure to receive dividends or distributions from the Company's subsidiaries when needed could have a material adverse effect on the Company's business, results of operations or financial condition.

Future acquisitions or dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business, (ii) distraction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of the Company's

operations, and (vi) loss or reduction of control over certain of the Company's assets. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Currency fluctuations

The Company is exposed to fluctuations in the value of the currencies of Australia, New Zealand, Canada and the United States. The Company does not use currency derivatives to hedge against adverse currency fluctuations. The Company may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency risks. Failure to adequately manage foreign exchange risk could therefore have a material adverse effect on the business, financial condition or results of operations of the Company.

Investments may be pre-revenue

The Company may make investments in companies with no significant sources of operating cash flow and no revenue from operations. The Company's investments in such companies will be subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Company's investment in these pre-revenue companies will not be able to meet anticipated revenue targets or generate no revenue at all. The risk is that underperforming pre-revenue companies may lead to these businesses failing which could have a material adverse effect on the business, financial condition or results of operations of the Company.

Fraudulent or illegal activity by employees, contractors and consultants

The Company will be exposed to the risk that any of their employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates, (a) government regulations, (ii) manufacturing standards, (iii) laws and regulations, or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and 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. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the business of the Company, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the operations of the Company, any of which could have a material adverse effect on the business, financial condition or results of operations of the Company.

Lack of operating history

The Company has only recently started to carry on its business and is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Company to meet any of these conditions could have a material adverse effect on the Company and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Company may not

successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Company fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if the Company accomplishes these objectives, the Company may not generate the anticipated positive cash flows or profits. No assurance can be given that the Company can or will ever be successful in its operations and operate profitably.

Reliance on management and key personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Company attempts to enhance its management and technical expertise by recruiting qualified individuals who possess the desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees as well as information technology, engineering, and technical support resources could have a material adverse impact on the Company's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Additional financing

The Company's future capital requirements depend on many factors, including its ability to successfully market its products, cash flows from operations, locating and retaining talent, and competing for market developments. The Company's business model requires spending money (primarily on raw material, human capital, advertising, and marketing) in order to generate revenue. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of current holders of the common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Company may be required to reduce, curtail, or discontinue operations. There is no assurance that the Company's existing cash flow will be adequate to satisfy its existing operating expenses and capital requirements.

Competition

There is potential that the Company and its affiliates will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

Growth and consolidation in the industry

The psychedelic industry is undergoing substantial change, which may result in increased consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could have adverse effects on the Company and its affiliates. The Company could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Company to lose access to distribution, content, and other resources. The relationships between the Company and its strategic partners may deteriorate and cause an adverse effect on the business. The Company could lose customers if competitors or users of competing technologies consolidate with the Company's current or potential customers and affiliates. Furthermore, the Company's current competitors could become larger players in the market, or new competitors could form from consolidations. Any of the foregoing events could put the Company at a competitive disadvantage, which could cause the Company to lose customers, revenue, and market share. Consolidation in the industry could also force the Company to divert greater resources to meet new or additional competitive threats, which could harm the Company's operating results.

Intellectual property risks

The Company`s ability to compete largely depends on the superiority, uniqueness, and value of its intellectual

property and technology, including both internally-developed technology and the ability to acquire patent protection and/or trademark protection. To protect its proprietary rights, the Company will rely on a combination of trademark, copyright, and trade secret laws, trademark and patent applications, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, certain risks may reduce the value of the Company's intellectual property. The Company's applications for trademarks and copyrights relating to its business may not be granted, and if granted, may be challenged or invalidated. There is no guarantee that issued trademarks, and registered copyrights will provide the Company with any competitive advantages. The Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Company develops. There is a risk that another party may obtain a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products.

The Company may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Company, could subject the Company to significant liabilities and other costs

The Company's success may likely depend on its ability to use and develop new technologies, know-how and biosynthetic production of psychedelic compounds without infringing the intellectual property rights of third parties. The Company cannot assure that third parties will not assert intellectual property claims against it. The Company is subject to additional risks if entities licensing to it intellectual property does not have adequate rights in any such licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against the Company, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which the Company may become a party could subject it to significant liability to third parties, require it to seek licenses from third parties, to pay ongoing royalties or subject the Company to injunctions prohibiting the development and operation of its applications.

If the Company is unable to continually innovate and increase efficiencies, its ability to attract new customers may be adversely affected

In the area of innovation, the Company must be able to develop new technologies and products that appeal to its customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to protect its intellectual property rights. The Company may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

Constraints on marketing products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Difficulty to forecast

The Company will have to 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 psychedelic industry. A failure in demand for its 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.

Operating risk and insurance coverage

The Company maintains insurance to protect its assets, operations, and employees. Due to the nature of the Company's business, insurance such as workers compensation, general liability, directors and officer's insurance, even though available, is more costly. There are no guarantees that the Company will be able to renew current insurance policies or that the cost will be affordable to the Company. While the Company believes its insurance coverage is adequate to protect it from the material risks to which it is exposed as of the date of this MD&A, no assurance can be given that such insurance will be adequate to cover the Company's future 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.

Growth management

The Company and its affiliates have, and may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its technology and services. The Company and its affiliates may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company and its affiliates to manage growth effectively will require them to continue to implement and improve the operational and financial systems and to expand, train and manage their employee base. The inability of the Company and its affiliates to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of interest

Certain directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Company which may affect the operations and business of the Company. Furthermore, because the content of most of the Company's intellectual property concerns psychedelics and other activities that are not legal in some state jurisdictions, the Company may face additional difficulties in defending its intellectual property rights.

The Company may become a party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue its operations, the market price for common shares, and could significantly drain the Company's resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

The Market Price of the common shares may be Subject to Wide Price Fluctuations

The market price of the Company shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Company shares.

Trading on the Frankfurt Borse is volatile and sporadic, which could depress the market price of the Company's common shares and make it difficult for the Company's security holders to resell their common shares

The common shares are quoted on the Frankfurt Borse. Trading in securities quoted on the Frankfurt Borse is often thin and characterized by wide fluctuations in trading prices, due to many factors, some of which may have little to do with the Company's operations or business prospects. This volatility could depress the market price of common shares for reasons unrelated to operating performance. Moreover, the Frankfurt Borse is not a stock exchange, and trading of securities on the Frankfurt Borse is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a stock exchange like the NYSE. These factors may result in investors having difficulty reselling common shares.

Price volatility of publicly traded securities

The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Company's control, including, but not limited to the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company will operate;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Company's industry generally and its business and operations both domestically and abroad;
- announcements of developments and other material events by the Company or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

In recent years, the securities markets in the U.S. and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in price of the common shares will not occur. The market price of the common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Company makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the common shares.

Liquidity

Although the common shares are quoted on the Borse Frankfurt Exchange, OTCQX and CSE, the Company cannot predict at what prices the common shares of the Company will trade and there can be no assurance that an active trading market will be sustained. There is a significant liquidity risk associated with an investment in the Company.

Shareholders will have little or no rights to participate in the Company's affairs

With the exception of the limited rights of shareholders under applicable laws, the day-to-day decisions regarding the management of the Company's affairs will be made exclusively by the Board of Directors and its officers. Shareholders will have little or no control over the Company's future business and investment decisions, its business, and its affairs. The Company may also retain other officers and agents to provide various services to the Company, over which the shareholders will have no control. There can be no assurance that the Board of Directors, officers or its other agents will effectively manage and direct the affairs of the Company.
Dividends

Holders of the common shares will not have a right to dividends on such shares unless declared by the Board of Directors. The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the Board of Directors, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Costs of maintaining a public listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

The Company's business, financial condition, results of operations, and cash flow may in the future be negatively impacted by challenging global economic conditions

Future disruptions and volatility in global financial markets and declining consumer and business confidence could lead to decreased levels of consumer spending. The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and spending and, consequently, impact the Company's sales and profitability. These macroeconomic developments could negatively impact the Company's business, which depends on the general economic environment and levels of consumer spending. As a result, the Company may not be able to maintain its existing customers or attract new customers, or the Company may be forced to reduce the price of its products. The Company is unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market- specific economic downturn could have a material adverse effect

Liquidity and Negative Cash Flows

The Company's cash on hand, cash equivalents as June 30, 2024 was $ 138,703. This amount should be adequate to continue to fund the Company's operations for the foreseeable future. If the Company had to raise capital to fund its operations or to make further investments in its businesses, it would have to sell assets or raise funds through the sale of additional equity or a combination of those two things. There may not be a ready market for the sale of its assets, and it may not be possible to issue additional shares or other securities, or the issue of additional shares or other securities if it were to be possible may result in significant dilution to the interests of existing shareholders.
The Company's principal asset is its investment in the ownership of Digital Mind Technologies Pty Ltd (DMT) and MindBio Therapeutics NZ Limited (Mind NZ). These Companies are at an early stage of development and will likely require additional funding to continue operations or to develop their business plans until they become self-funding. The Companies may experience negative cash flow from operating activities. If that is the case, MindBio would have to fund its operations with its cash on hand, cash equivalents or other sources.

Limited Diversification of Investments

Due to the small size of the Company and the fact that it has only a limited number of investments, the Company is subject to a greater risk of a downturn in one or more of its investments. A concentration of the Company's invested funds in a limited number of companies–in particular in the psychedelic micro-dosing research - means that in the event that any such business or industry or investment is unsuccessful or experiences a downturn, this will likely have a material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments, which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

The industry is at its early stages and psychedelic medicines are not yet proven to the appropriate standard for safety and efficacy in medical treatment of patients to be broadly marketed as medicines around the world. The University has received a license from the Ministry of Health, New Zealand to import LSD, under the *Misuse of Drugs Act, 1975* (New Zealand) and *International Treaties on Controlled Substances* subject to certain conditions including the usage of LSD for scientific purposes. Additionally, the University has also received an authorization to distribute LSD for the purposes of clinical trial. The University has executed arrangements with certain manufacturers for supply of drug substances required for the clinical trials.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

OTHER INFORMATION

Additional information related to the Company may be found on SEDAR+ at www.sedarplus.ca.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had the following securities issued and outstanding:

	December 31, 2024	June 30, 2024
Common shares	142,957,211	135,047,305

Warrants	17,398,422	17,398.422
Stock options	26,593,250	26,593,250
Fully diluted shares	186,948,883	179,038,977

BOARD APPROVAL

The Board of Directors of the Company approved this MD&A on April 14, 2025.