



Condensed Interim Consolidated Financial Statements

**Three and Six Months Ended
June 30, 2024 and 2023**



Three and Six Months Ended June 30, 2024 and 2023

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Smythe Ratcliffe LLP, Chartered Accountants has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Public Accountants of Canada for a review of interim financial statements by an entity's auditor.

August 27, 2024



Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

As at		June 30, 2024	December 31, 2023
Assets	Note	\$	\$
Current			
Cash and cash equivalents	4	12,060	8,088
Amounts receivable		4,060	6,970
Prepaid expenses and deposits		-	4,618
		16,120	19,676
Property and Equipment	6	10,228	11,383
Total assets		26,348	31,059
Liabilities			
Current			
Accounts payable and accrued liabilities	9	1,011,908	841,662
Convertible debenture		60,000	-
Total liabilities		1,071,908	841,662
Shareholders' (Deficiency) Equity			
Share Capital	10	50,261,612	50,192,612
Reserves	10	8,216,870	8,285,870
Deficit		(59,524,042)	(59,289,085)
Total shareholders' (deficiency) equity		(1,045,560)	(810,603)
Total liabilities and shareholders' equity		26,348	31,059

Nature of the Business and Going Concern (note 1)

Subsequent event (note 15)

Approved on behalf of the Board:

"William Rascan"

..... Director

William Rascan

"Derek Ivany"

..... Director

Derek Ivany

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

For the periods ended June 30,		Three months		Six Months	
		2024	2023	2024	2023
	Note	\$	\$	\$	\$
Expenses					
Accounting, legal and audit		13,888	5,731	16,943	12,642
Amortization	6	577	735	1,155	1,470
Consulting fees		12,000	184,445	84,770	310,722
Management fees		55,500	55,500	111,000	111,000
Office and general		2,167	10,558	6,850	17,899
Share-based payments	10	-	-	-	273,375
Shareholder communications and investor relations		-	1,915	3,981	23,724
Transfer agent and filing fees		6,620	5,647	11,116	9,512
Research and development costs		-	38,262	500	70,456
Loss before Other Items		(90,752)	(302,793)	(236,315)	(830,800)
Recovery of loan from Just Kush	7	174	-	1,357	-
Interest Income		-	-	1	2
Net Loss and Comprehensive Loss for the Period		(90,578)	(302,793)	(234,957)	(830,798)
Loss and Comprehensive Loss Per Share, Basic and Diluted		(0.00)	(0.00)	(0.00)	(0.01)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted		148,064,264	147,095,583	148,064,264	146,351,246

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

For the periods ended June 30,		2024	2023
	Note	\$	\$
Operating Activities			
Net loss for the period		(234,957)	(830,798)
Items not involving cash			
Amortization	6	1,155	1,470
Share-based payments	10	-	273,375
Shares issued for services	10	-	80,000
Changes in non-cash working capital			
Amounts receivable		2,910	(1,788)
Prepaid expenses		4,618	(13,451)
Accounts payable and accrued liabilities		170,246	223,015
Cash Used in Operating Activities		(56,028)	(268,177)
Financing Activities			
Convertible debenture	10	60,000	-
Proceeds from exercise of warrants	10	-	14,100
Proceeds from exercise of options	10	-	5,000
Cash Provided by Financing Activities		60,000	19,100
Net change in cash		3,972	(249,077)
Cash, Beginning of the Period		8,088	266,519
Cash, End of the Period		12,060	17,442

Supplemental Disclosures with Respect to Cash Flows (note 12)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited)
 Periods ended June 30, 2024 and 2023
 (Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total
			\$	\$	\$	\$	\$
Balance, December 31, 2022		145,118,660	50,065,571	8,400	8,032,036	(58,064,663)	41,344
Shares issued for services	10	1,400,000	80,000	-	-	-	80,000
RSU settlement	10	250,000	16,500	-	(16,500)	-	-
Exercise of options	10	100,000	8,041	-	(3,041)	-	5,000
Exercise of warrants	10	300,000	22,500	(8,400)	-	-	14,100
Share-based payments	10	-	-	-	273,375	-	273,375
Net loss for the period		-	-	-	-	(830,798)	(830,798)
Balance, June 30, 2023		147,168,660	50,192,612	-	8,285,870	(58,895,461)	(416,979)
Net loss for the period		-	-	-	-	(393,624)	(393,624)
Balance, December 31, 2023		147,168,660	50,192,612	-	8,285,870	(59,289,085)	(810,603)
RSU settlement	10	1,150,000	69,000	-	(69,000)	-	-
Net loss for the period		-	-	-	-	(234,957)	(234,957)
Balance, June 30, 2024		148,318,660	50,261,612	-	8,216,870	(59,524,042)	(1,045,560)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



Nova Mentis Life Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the periods ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

The Company was incorporated on October 27, 2004 in the province of British Columbia, based in Vancouver, as "Weststar Resources Corp.", a mineral exploration company. On October 21, 2016, the Company completed a change of business to the cannabis industry and changed its name to "Liberty Leaf Holdings Ltd." On June 26, 2020, the Company changed its business to life sciences and changed its name to "Nova Mentis Life Science Corp." The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the name "Nova Mentis Life Science Corp." and stock symbol "NOVA". Nova also trades on the Frankfurt Stock Exchange ("FSE") under the symbol "HN3Q", and on the New York-based OTCQB Venture Market ("OTCQB") under the stock symbol "NMLSF".

The principal address of the Company is located at 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

These condensed interim consolidated financial statements ("Interim Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. The Company incurred an operating loss during the period ended June 30, 2024 of \$234,957 (June 30, 2023 - \$830,798). As at June 30, 2024, the Company has an accumulated deficit of \$59,524,042 (December 31, 2023 - \$59,289,085), has limited resources, and no sources of operating cash flow. There are no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to fund its subsidiaries or enter into agreements with other medicinal psychedelic-related businesses. Management is actively engaged in the review and due diligence on opportunities of merit in the medicinal psychedelic sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These Interim Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, they do not include all of the information required for full interim financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements
For the periods ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

b) Basis of measurement

These Interim Financial Statements have been prepared using the historical cost basis, except for certain financial instruments, which are measured at fair value. These Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Principles of consolidation

The Interim Financial Statements of the Company consolidate the accounts of the Company and its wholly-owned subsidiaries as at June 30, 2024 and December 31, 2023:

	Country	Principal Activity	Ownership interest
Nova Mentis Biotech Corp.	Canada	Psilocybin research & development	100%
SwabAi Diagnostics Inc. ¹	Canada	Psilocybin research & development	100%

¹ Formerly, Pilz Bioscience Corp.

A subsidiary is consolidated from the date upon which control is acquired by the Company and all material intercompany transactions and balances have been eliminated on consolidation. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

d) Approval of the consolidated financial statements

The Interim Financial Statements of the Company for the three and six months ended June 30, 2024 were approved and authorized for issue by the Board of Directors on August 27, 2024.

e) Use of estimates and judgments

The preparation of these Interim Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated Interim Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the consolidated Interim Financial Statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- Research and development expenditures

Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 Intangible Assets are met. Those criteria require that the product is technically, and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible.

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

The Company has not capitalized any product development costs as at June 30, 2024 and December 31, 2023.

- **Going concern**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- **Significant influence**

Where the Company holds a significant shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. Management applies judgment to determine when the Company loses significant influence over an investee by assessing whether it has lost the power to participate in the financial and operating policy decisions of that investee.

- **Determination of control in business acquisitions**

The determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power; whether the Company has exposure or rights to variable returns; and whether the Company has the ability to use its power to affect the amount of its returns. In exercising this judgment, management reviewed the representation on the Board of Directors and key management personnel, the party that initiated the transaction, and each of the entities' activities.

The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output.

The key estimates applied in the preparation of the consolidated Interim Financial Statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- **The inputs used in assessing the recoverable amount of deferred tax assets**

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

- **Share-based payments**

The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

- Fair value of equity issuances for non-cash consideration

In instances where the fair value of assets received, or services rendered cannot be reliably measured management estimates the fair value of common shares issued as non-cash consideration by reference to the closing trading price of its shares in active markets. In instances where common shares issued are subject to internally imposed hold periods, management applies a discount to the value of the shares. A discount rate of 4.8% was applied to certain shares issued in accordance with the acquisition of Pilz which were subject to a voluntary pooling agreement.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the consolidated financial statements, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied by the Company consistently throughout the period for purposes of these Interim Financial Statements. Additional details regarding Nova's accounting policies, the critical judgments, estimates and assumptions, and how they are applied in the preparation of these Interim Financial Statements, are reflected in note 3 of the Company's Annual Financial Statements for the years ended December 31, 2023 and 2022.

- Standards, amendments and interpretations issued and effective for year ends beginning on or after January 1, 2024

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IFRS 17 – Insurance Contracts ("IFRS 17") is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts, and related interpretations.

The Company is currently assessing the impact of these standards.

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

On June 30, 2024, cash and cash equivalents include \$12,060 (December 31, 2023 - \$8,088) in the operating bank accounts held with major Canadian financial institutions.

5. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and cash equivalents, by placing cash with major Canadian financial institutions. As at June 30, 2024, the Company is therefore exposed to credit risk with respect to cash and cash equivalents of \$12,060 (December 31, 2023 - \$8,088). Furthermore, the Company is exposed to credit risk associated with the Loan Receivable from Just Kush. Management assesses the credit worthiness of entities it advances loans to prior to and on a periodic basis. If it is determined that the counterparty is undergoing financial difficulty management estimates a recoverable amount and books an allowance for expected credit losses.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As of June 30, 2024, the Company has cash and cash equivalents of \$12,060 (December 31, 2023 - \$8,088) to meet contractual financial liabilities of \$1,071,908 (December 31, 2023 - \$841,662). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2024.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on capital. As at June 30, 2024, management considers the Company's market risk to be low as it held no short-term investments at the period-end date (December 31, 2023 - \$nil).

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Computer Equipment	Office Equipment	Total
Cost	\$	\$	\$
Balance, December 31, 2022	16,173	39,880	56,053
Additions	-	-	-
Balance, December 31, 2023	16,173	39,880	56,053
Additions	-	-	-
Balance, June 30, 2024	16,173	39,880	56,053
Accumulated Amortization			
Balance, December 31, 2022	15,956	25,773	41,729
Amortization	120	2,821	2,941
Balance, December 31, 2023	16,076	28,594	44,670
Amortization	27	1,128	1,155
Balance, June 30, 2024	16,103	29,722	45,825
Net Book Value			
Net Book Value, December 31, 2023	97	11,286	11,383
Net Book Value, June 30, 2024	70	10,158	10,228

7. LOAN RECEIVABLE FROM JUST KUSH

On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush", or the "borrower"), a private British Columbia company with an ACMPR license.

Pursuant to the agreement, the Company had advanced amounts to Just Kush to assist them in building out a facility to carry out operations under its ACMPR license.

Due to deteriorating market conditions in the cannabis industry and a general disagreement between the stakeholders involved regarding terms of the original purchase agreement and whether the Company had an obligation to contribute capital to Just Kush, the Company entered into a rescission agreement dated March 19, 2021 with Just Kush such that the original purchase agreement was null and void. In accordance with the rescission agreement, shares involved in the original purchase agreement were returned to capital, and Just Kush had was required to repay a principal sum of \$2,037,839 representing advances made by the Company to Just Kush under the original purchase agreement.

Just Kush had agreed to repay the principal amount on or before March 30, 2027 in monthly installments commencing on March 30, 2022. Just Kush failed to commence repayment of the loan. On May 1, 2022, Nova entered into a forbearance agreement with Just Kush to waive its rights to enforce the rescission agreement with respect to Just Kush's default, and to grant Just Kush the right to delay the repayment of the loan. Just Kush could request additional three-month extensions together with an extension fee of \$40,000 for each extension to be added to its indebtedness to Nova. Just Kush requested two such extensions, and extension fees of \$80,000 were added to the principal of the loan. At December 31, 2022,

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

management believed that the future recoverability of the loan was uncertain. As such, during the year ended December 31, 2022, Nova recorded an impairment loss of \$764,776 on the fair value of the loan.

In June 2023, Nova signed an amended and restated loan agreement, based on a principal sum of \$2,130,462, which stipulated that Just Kush would make payments against the loan based on their monthly gross sales and a sliding scale of tiered repayment rates. During the period ended June 30, 2024, the Company received \$1,357 with respect to repayment of the loan (June 30, 2023 - \$nil). The loan bears interest at 10% per annum.

As at June 30, 2024, the total amount owing to Nova from Just Kush, including principal and accrued interest, was \$2,363,276.

8. SHARES FOR SERVICES

Marketing

In March 2023, the Company entered into an agreement with Octagon Media Corp., doing business as Wall Street Reporter ("WSR"), whereby WSR shall provide marketing services for a period of four (4) months commencing on March 27, 2023, in consideration of 1,400,000 common shares in the capital of the Company (the "Shares") at a deemed price of approximately \$0.057 per Share.

9. LOAN AGREEMENT

On March 21, 2024 (the "Effective Date"), Nova entered into a convertible loan agreement (the "Loan") with a director of the Company (the "Lender") for a total of \$60,000 at 14% interest for a period of twelve months from the date of signing. At any time after the Effective Date, either Nova or the Lender may elect, at their exclusive direction, to convert the Loan, plus any accrued and unpaid interest, to common shares in the capital of Nova. The conversion price of the shares will be in accordance with the policies of the CSE. Proceeds of the Loan will be used to satisfy immediate working capital needs of the Company.

10. RELATED PARTY TRANSACTIONS

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

The transactions noted below are in the normal course of business and are approved by the Board of Directors in adherence to conflict-of-interest laws and regulations.

These amounts of key management compensation and other related party transactions are included in the amounts shown on the consolidated statements of loss and comprehensive loss for the three and six months ended June 30, 2024 and 2023:

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

For the periods ended June 30,	Three months		Six months	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting fees	3,000	42,000	6,000	87,000
Management fees	55,500	55,500	111,000	111,000
Share-based payments	-	-	-	197,550

As at June 30, 2024, accounts payable and accrued liabilities included \$405,465 (December 31, 2023 - \$454,797) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured, and without stated terms of repayment.

11. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

a) Issued share capital

During the period ended June 30, 2024

In January 2024, the Company issued 1,150,000 common shares in the capital of the Company with respect to Restricted Share Units ("RSUs").

During the year ended December 31, 2023

In December 2022, the Company received proceeds of \$8,400 for the exercise of 112,000 warrants at an exercise price of \$0.075 per warrant. These shares were issued in January 2023.

On January 9, 2023, 188,000 shares were issued in connection with warrants that were exercised at a price of \$0.075 for proceeds of \$14,100.

On January 18, 2023, 150,000 shares were issued to settle RSUs.

On February 14, 2023, 100,000 shares were issued for an options exercise at a price of \$0.05 for proceeds of \$5,000.

On March 30, 2023, 1,400,000 shares were issued for services related to marketing (note 8).

On May 15, 2023, 50,000 shares were issued to settle RSUs.

On June 29, 2023, 50,000 shares were issued to settle RSUs.

b) Warrants

During the period ended June 30, 2024

There was no warrant activity during the three and six months ended June 30, 2024.

Nova Mentis Life Science Corp.



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During the year ended December 31, 2023

In January 2023, 300,000 warrants were exercised at an exercise price of \$0.075

On September 15, 2023, 29,370,000 warrants expired, unexercised. The warrants had a weighted average exercise price of \$0.075.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, December 31, 2022	31,039,500	0.075
Exercised	(300,000)	0.075
Expired	(29,370,000)	0.075
Balance, December 31, 2023 and June 30, 2024	1,369,500	0.084

The following warrants were outstanding as at June 30, 2024:

Expiry Date	Exercise Price \$	Number of Warrants Outstanding	Weighted Average Remaining Life (yrs)
November 22, 2024	0.075	571,500	0.40
December 28, 2024	0.09	798,000	0.50
	0.084	1,369,500	0.45

c) Options

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and the options are exercisable for a period not to exceed 10 years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Options granted to directors, employees and consultants vest immediately. Options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Option transactions and the number of options outstanding and exercisable are summarized as follows:



Nova Mentis Life Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Number of Options	Weighted Average Exercise Price
		\$
Balance at December 31, 2022	9,575,000	0.08
Expired	(2,825,000)	0.10
Exercised	(100,000)	0.05
Balance at December 31, 2023	6,650,000	0.07
Expired	(200,000)	0.085
Balance at June 30, 2024	6,450,000	0.07

During the period ended June 30, 2024

During the period ended June 30, 2024, 200,000 options expired unexercised. The options had a weighted average exercise price of \$0.085.

During the year ended December 31, 2023

On February 14, 2023, 100,000 options were exercised at a price of \$0.05 for proceeds of \$5,000. The options had a fair value of \$3,041.

During the year ended December 31, 2023, 2,825,000 options expired unexercised. The options had a weighted average exercise price of \$0.11.

The following options were outstanding and exercisable as at June 30, 2024:

Expiry Dates	Exercise Price \$	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
September 28, 2024	0.05	0.25	300,000	300,000
October 22, 2024	0.09	0.31	250,000	250,000
July 14, 2026	0.12	2.04	1,900,000	1,900,000
September 28, 2027	0.05	3.25	4,000,000	4,000,000
	0.07	2.64	6,450,000	6,450,000

d) Restricted Share Units

During the period ended June 30, 2024

During the period ended June 30, 2024, the Company settled 1,150,000 RSUs through the issuance of 1,150,000 common shares in the capital of the Company. An additional 850,000 RSUs were forfeited.



Nova Mentis Life Science Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

During the year ended December 31, 2023

On January 17, 2023, 2,750,000 RSUs were granted to directors, officers, and consultants of the Company. The RSUs vest on the date of grant, and expire 24 months from the date of issue. The RSUs are governed by the Company's RSU Plan, which was approved by the Company's shareholders on December 22, 2020.

On January 18, 2023, 150,000 RSUs were settled through the issuance of 150,000 shares of the Company and the fair value of \$9,000 was transferred from Reserves to Share Capital on the Statements of Financial Position as at December 31, 2023.

On March 22, 2023, Nova granted 500,000 RSUs to a consultant of the Company. The RSUs have a fair value of \$27,500 and are valid for a two-year term and are governed by the Company's RSU Plan, approved by the Company's shareholders on December 22, 2020.

On May 15, 2023, 50,000 RSUs were settled through the issuance of 50,000 shares of the Company.

On June 29, 2023, 50,000 RSUs were settled through the issuance of 50,000 shares of the Company.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

For the periods ended December 31,	2024	2023
	\$	\$
Shares issued for services (note 8)	-	80,000
Shares issued to settle RSUs (note 11d)	69,000	16,500

13. SEGMENTED DISCLOSURE AND SUBSIDIARIES

The Company currently operates in one industry segment, being research and development of psilocybin, and in one geographic area, being Canada, through its wholly-owned subsidiaries, Nova Mentis Biotech Corp., and SwabAi Diagnostics Inc. (formerly, "Pilz Bioscience Corp."). All of the Company's long-term assets are located in Canada.

14. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Nova Mentis Life Science Corp.



Notes to the Condensed Interim Consolidated Financial Statements
For the periods ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three- and six-month periods ended June 30, 2024. The Company is not subject to external restrictions on its capital.

15. SUBSEQUENT EVENT

- a) On August 27, 2024, Nova announced that it had entered into an intellectual property conveyance agreement (the "Agreement") with Ludwig Enterprises Inc. ("Ludwig") and Dr. Marvin S. Hausman ("Hausman"), CEO of Ludwig, pursuant to which the Company shall assign to Ludwig all of its intellectual property and patent of the mRNA Neuro Panel and Serotonin Assay, along with any and all data accumulated testing these assays (the "Property").

Under the terms of the Agreement, in consideration of the assignment of the Property, Hausman shall forgive the Company on a total of \$336,601 (US\$245,712) in debt owed to Hausman pursuant to consulting services provided to the Company and Ludwig shall issue to the Company 750,000 restricted shares in the capital of Ludwig at closing. In addition, for a period of 10 years from the date of the Agreement, Ludwig shall pay the Company a 2.5% royalty on all revenue derived from commercialization of the Property up to the amount of \$336,601 (US\$245,712) and 5% on any revenue over this amount.