OPTIMIND PHARMA CORP.
(Formerly LOON ENERGY CORPORATION)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2022 AND 2021

(Unaudited- expressed in Canadian Dollars)

NOTICE TO READER

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 interim financial statements have not been reviewed by an auditor.

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

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

OPTIMIND PHARMA CORP.

(formerly, Loon Energy Corporation)

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Optimind Pharma Corp. (formerly, Loon Energy Corporation)
Interim Consolidated Statements of Financial Position
(in Canadian dollars)
(Unaudited)

ASSETS		**November 30, 2022**		February 28, 2022
CURRENT				
Cash	$	787,677	$	1,352,293
Restricted cash (Note 11)		-		506,457
Accounts receivable		35,283		-
HST receivable		7,034		
Other receivables		-		1,810
		829,994		1,860,560
Investment in associates (Note 5)		465,500		310,000
Right-of-use asset (Note 8)		102,258		124,704
Intangible assets (Notes 6, 7**)**		654,018		664,377
Goodwill (Notes 6 (a), 6(b))		2,206,602		856,602
TOTAL ASSETS	**$**	**4,258,372**	$	3,816,243
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
HST payable	$	-	$	1,692
Accounts payable and accrued liabilities		64,512		132,229
Subscription receipts (Note 11)		-		506,457
Other payables		4,029		-
Current portion of lease liabilities (Note 9)		26,915		23,540
		95,456		663,918
Non-current portion of lease liabilities (Note 8)		88,829		109,459
Convertible debentures (Note 11)		464,662		-
Deferred tax liability (Notes 6)		-		3,095
TOTAL LIABILITIES		648,947		776,472
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		6,034,402		3,386,902
Contributed surplus		54,765		-
Accumulated deficit		(2,479,742)		(347,131)
TOTAL SHAREHOLDERS' EQUITY		3,609,425		3,039,771
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**4,258,372**	$	3,816,243

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

/s/ "Tomas Sipos"
Tomas Sipos, Direcor

/s/ "Tushar Arora"
Tushar Arora, Director

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

Optimind Pharma Corp. (formerly, Loon Energy Corporation)
Interim Consolidated Statements of Loss and Comprehensive Loss
For the periods ended:
(in Canadian dollars)
(Unaudited)

	For the three months ended November 30, 2022	For the three months ended November 30, 2021	For the nine months ended November 30, 2022	For the Period from December 16,2020 to November 30, 2021
Revenue	$ 59,831	$ 36,573	$ 127,446	$ 84,622
Expenses:				
Accounting and related fees	$ 6,000	$ 6,000	$ 18,000	$ 14,000
Amortization of intangible assets (Note 7)	3,453	3,453	10,359	8,057
Amortization of right-of-use assets (Note 8)	7,482	7,483	22,446	17,459
Consulting fees (Note 12)	142,193	88,926	439,676	256,250
Contract work	22,470	10,364	66,256	23,221
Computer and software expenses	613	820	3,436	2,015
Interest expense	13,208	-	18,070	-
Interest accretion (Notes 9,11)	14,404	6,373	29,372	15,211
Insurance	-	-	2,425	2,375
Legal and professional expenses	140,749	1,590	307,825	2,495
Maintenance and property taxes	4,800	6,917	14,400	6,917
Office and general	3,224	3,067	12,416	6,897
Transfer agent and regulatory fees	17,842	-	17,842	-
	$ (376,438)	$ (134,993)	$ (962,523)	$ (354,897)
Listing expense (Note 4)	-	-	(1,300,629)	-
Loss before income taxes	$ (316,607)	$ (98,420)	$ (2,135,706)	$ (270,275)
Deferred tax recovery	-	-	3,095	-
Loss and comprehensive loss	$ (316,607)	$ (98,420)	$ (2,132,611)	$ (270,275)
Loss per share-Basic and Diluted	$ (0.003)	$ (0.001)	$ (0.028)	$ (0.007)
Weighted average number of shares outstanding-Basic and Diluted	94,240,469	66,552,008	76,815,280	37,687,683

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

Optimind Pharma Corp. (formerly, Loon Energy Corporation)
Interim Statements of Changes in Shareholders' Equity
(in Canadian dollars)
(Unaudited)

	Number of common shares outstanding	Share capital	Equity portion of convertible debentures	Deficit	Total
Shares issued for business acquisition (Note 6 (a))	45,000,000	$ 1,350,000	$ -	$ -	$ 1,350,000
Shares issued for investment in associates (Note 5)	7,000,000	210,000	-	-	210,000
Shares issued for services (Note 12)	1,500,000	45,000	-	-	45,000
Private placements (Note 10)	13,052,008	1,957,801	-	-	1,957,801
Share issuance costs (Note 10)	-	(175,899)			(175,899)
Net loss for the period	-	-	-	(270,275)	(270,275)
Balance as at November 30, 2021	66,552,008	$ 3,386,902	$ -	$ (270,275)	$ 3,116,627
Balance as of February 28, 2022	66,552,008	$ 3,386,902	$ -	$ (347,131)	$ 3,039,771
Reverse takeover of subsidiary (Note4)	8,649,999	$ 1,297,500	-	-	1,297,500
Shares issued for acquisition of MindSetting Institute (Note 6 (b))	22,500,000	$ 1,350,000	-	-	1,350,000
Treasury correction of shares	(16)	-	-	-	-
Equity portion of convertible debentures (Note 11)	-	-	54,765	-	54,765
Net loss for the period	-	-	-	(2,132,611)	(2,132,611)
Balance as at November 30, 2022	97,701,991	$ 6,034,402	$ 54,765	$ (2,479,742)	$ 3,609,425

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

Optimind Pharma Corp. (formerly, Loon Energy Corporation)
Interim Consolidated Statements of Cash Flows
For the periods ended:
(in Canadian dollars)
(Unaudited)

		November 30, 2022		December 16, 2020 to November 30, 2021
OPERATING ACTIVITIES				
Net loss	$	(2,132,611)	$	(270,275)
Non-cash items included in net loss and other adjustments:				
Amortization of intangible assets		10,359		8,057
Amortization of right -of-use asset		22,446		17,459
Interest accretion (Notes 9,11)		29,372		15,211
Issue of common shares for services		-		45,000
Deferred tax recovery		(3,095)		-
Loss from acquisition of subsidiary		1,300,629		
Changes in non-cash working capital:				
Accounts receivables		(35,283)		-
Other receivables		1,810		(1,810)
Deferred costs		-		(45,000)
HST receivable/ payable		2,505		(476)
Other payables		4,029		-
Accounts payable and accrued liabilities		(82,077)		6,000
CASH USED IN OPERATING ACTIVITIES		**(881,916)**		**(225,834)**
INVESTING ACTIVITIES				
Investment in associates in cash		(155,500)		(100,000)
CASH USED IN INVESTING ACTIVITIES		(**155,500**)		**(100,000)**
FINANCING ACTIVITIES				
Common shares issued for cash		-		1,957,801
Share issue expenses		-		(175,899)
Subscription receipts for convertible debentures		543		-
Repayment of lease liabilities		(34,200)		(26,600)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES		**(33,657)**		**1,755,302**
NET CHANGE IN CASH DURING THE PERIOD		**(1,071,073)**		**1,429,468**
CASH, BEGINNING OF PERIOD		**1,858,750**		-
CASH, END OF PERIOD	$	**787,677**	$	**1,429,468**
Cash consists of:				
Cash	$	**787,677**	$	**1,429,468**
Restricted cash	$	**-**		**-**
	$	**1,664,872**	$	**1,429,468**
Cash paid for interest	$	**567**	$	-
Cash paid for taxes	$	**-**	$	-
Non-cash transactions:				

The following were noncash transactions during the period ended November 30, 2022:

a) 8,649,999 common shares valued at $0.15 per share for a consideration of $1,297,500 were issued for the reverse merger transaction.
b) The Company issued 22,500,000 common shares fair valued at $1,350,000 for an asset acquisition.

The following were noncash transactions during the period ended November 30, 2021:

a) The Company issued 45,000,000 common shares fair valued at $1,350,000 for a business acquisition.
b) The Company issued 7,000,000 common shares fair valued at $210,000 for investment in associates.
c) The Company issued 1,500,000 common shares fair valued at $45,000 for services.

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

1. Organization and Nature of Operations

Optimind Pharma Corp., formerly Loon Energy Corporation, ("**Optimind**" or the "**Company**") was incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively.

Optimind completed a triangular amalgamation (the "Transaction") pursuant to the terms of the acquisition agreement dated July 28, 2022, among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021, March 1, 2022, and June 30, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("OPI"), a private company incorporated under the Province of Ontario, whereby Optimind has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of OPI (the "Transaction").

Under the terms of the Agreement, all of the Target Shares were exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). Prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which resulted in 8,649,999 Loon common shares being issued and outstanding following the consolidation.

Optimind's shares were listed on the TSX Venture exchange ("TSX.V"). At the Company's request, the Company's shares were delisted from the TSX.V on June 24, 2022. On August 4, 2022, the Company's shares began trading on the Canadian Securities Exchange ("CSE") under the symbol OMND. The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8. The Board of Directors of the Company authorized these financial statements for issuance on January 30, 2023.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

These condensed interim consolidated financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim financial statements should be read in conjunction with the annual audited financial statements for the period ended February 28, 2022, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements are based on accounting policies as described in the February 28, 2022 audited financial statements.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At November 30, 2022, the Company had cash of $787,677, working capital of $734,538 and an accumulated deficit of $2,479,742. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Since March, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These uncertainties may cast significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

<u>Critical Judgements</u>

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

Management had to apply judgement with respect to whether the assignment and acquisition of the assets and business of Redytogo Clinic at London, Ontario were asset or business acquisition. The assessments required management to assess the inputs, processes and outputs of the business acquired at the time of acquisition. Pursuant to the assessment, the acquisition was considered business acquisition.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Critical Judgements (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

3. Significant Accounting Policies

The accounting policies set out in the financial statements for the period ended February 28, 2022, have been applied consistently to all periods presented in these interim financial statements.

(in Canadian dollars)

4. Reverse merger transaction

Effective July 28, 2022, Optimind was part of a triangular amalgamation among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021, March 1, 2022, and June 30, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("OPI"), a private company incorporated under the Province of Ontario, whereby Optimind has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of OPI (the "Transaction").

Under the terms of the Agreement, all of the Target Shares were exchanged on the basis of one common share of the Company for each Target Share. Prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which resulted in 8,649,999 Loon common shares being issued and outstanding following the consolidation. On Completion of the transaction, the Company changed its name to Optimind Pharma Corp.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 8,649,999 shares to the shareholders of former corporation valued at $0.15 per share, with a total value of $1,297,500 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:	$	11,231
Liabilities assumed by the Company:		(14,360)
Net assets (liabilities) assumed	$	(3,129)
Consideration:		
8,649,999 common shares issued at a fair value of $0.15 per share	$	(1,297,500)
Listing expense	$	(1,300,629)

(in Canadian dollars)

5. Investment in Associates

Manitari Pharma Inc. ("Manitari")

The Company owns a 40% interest in Manitari giving it significant influence over its operations. The Company issued 7,000,000 common shares to acquire a 40% ownership and control of 40 common shares in this private entity. Manitari has applied for a Psilocybin dealers license to produce Psilocybin for use in micro doses in-clinic for Psilocybin-PEP, made accessible to qualified non-native patients through North America. As the Company does not have the current ability to control the key operating activities of Manitari, it is accounted for using the equity method. As at November 30, 2022, the Company had advanced cash of $255,500 to Manitari in addition to its 40% ownership and control, by issue of 7,000,000 common shares valued at $210,000.

A summary of the assets, liabilities and operations of Manitari are presented below:

		November 30, 2022		February 28, 2022
Financial position				
Current assets	$	2,505	$	500
Non-current assets	$	252,995	$	99,500
Current liabilities	$	-	$	-
Non-current liabilities	$	255,500	$	100,000
For the period ended		**November 30, 2022**		**November 30, 2021**
Statement of earnings (loss)				
Revenue	$	-	$	-
Expenses	$	-	$	-
Operating income (loss)	$	-	$	-
Net earnings (loss)	$	-	$	-

(in Canadian dollars)

6(a) Business Acquisition of Redytogo Limited

On April 27, 2021, the Company acquired the right, title and interest in the assets and business of Readytogo Clinic operating in London, Ontario. The acquisition and assignment included proprietary information in or associated with the business and any and all the intellectual property relating to the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. As a consideration for the Transaction, the Company issued 45,000,000 common shares of the Company at a price of $0.03 per share for a total consideration of $1,350,000 (the "Purchase Price").

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets acquired.

Consideration	$
45,000,000 common shares issued at $0.03 per share	1,350,000
	1,350,000

Purchase Price allocation	$
Goodwill	856,602
Deferred tax liability	(182,489)
<u>Intangible assets</u>	
Customer Relationships (amortized over a period of 8 years)	110,500
Brand (Indefinite life)	565,387
	1,350,000

(in Canadian dollars)

6(b) Acquisition of Mindsetting Institute

On September 16, 2022, Optimind completed the acquisition of MindSetting Institute, a leader in psychedelic enhanced therapy training and educational programming. In consideration for the acquisition, the Company issued a total of 22,500,000 common shares at a price of $0.06 per share for a total consideration of $1,350,000 (the "Purchase Price"), which shares are subject to the following release terms: (i) 11,500,000 common shares are subject to a time release escrow as follows: (A) 5,343,750 are released on January 17, 2023; (B) 1,968,750 are released on March 17, 2023; (C) 1,968,750 are released on June 17, 2023; and, (D) (B) 1,968,750 are released on September 17, 2023; and (ii) 11,500,000 common shares are subject to earn-out milestones as follows: (A) 2,812,500 common shares; (B) 5,625,000 common shares; and (C) 2,812,500 common shares, with each of three earn-out milestones related to continued development of the protocols and courses for the acquired assets and intellectual property. The MindSetting assets acquired by Optimind include course modalities, including fully asynchronous, online synchronous and hybrid learning opportunities.

In accordance with the Company's accounting policies and IFRS, the measurement period for the Acquisition shall not exceed one year from acquisition date. Accordingly, the accounting for the Acquisition has only been provisionally determined as at November 30, 2022. The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the Purchase Price. The Company has yet to determine and value intangible assets that have been acquired as part of the Acquisition. Once this has been determined, the value of the provisional goodwill may change. These changes may be material.

Consideration		
22,500,000 Common Shares at a value of $0.06 per share	**$**	**1,350,000**
Purchase Price allocation		
Provisional amount allocated to Goodwill		1,350,000
	$	**1,350,000**

(in Canadian dollars)

7. Intangible Assets

	Customer Relationships	Brand	Total
	$	$	$
Cost:			
December 16, 2020	-	-	-
Additions	110,500	565,387	675,887
February 28, 2022	110,500	565,387	675,887
Additions	-	-	-
November 30, 2022	110,500	565,387	675,887
Accumulated amortization:			
December 16, 2020	-	-	-
Charge for the period	11,510	-	11,510
February 28, 2022	11,510	-	11,510
Charge for the period	10,359	-	10,359
November 30, 2022	21,869	-	21,869
Net Book Value:			
At November 30, 2022	88,631	565,387	654,018
At February 28, 2022	98,990	565,387	664,377

(in Canadian dollars)

8. Right-of-use Asset

The following shows the movement of the Company's right-of-use asset.

	Right of Use Asset
	$
Cost:	
December 16, 2020	-
Additions	149,645
February 28, 2022	149,654
Additions	-
November 30, 2022	149,645
Accumulated amortization:	
December 16, 2020	-
Charge for the period	24,941
February 28, 2022	24,941
Charge for the period	22,446
November 30, 2022	47,387
Net Book Value:	
At November 30, 2022	102,258
At February 28, 2022	124,704

Right-of-use asset includes office space amortized over the period of lease.

(in Canadian dollars)

9. Lease Liability

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate.

	$
Additions on May 1. 2021	149,645
Accretion on lease obligation	21,354
Lease payments made	(38,000)
February 28, 2022	132,999
Accretion on lease obligation	16,945
Lease payments made	(34,200)
November 30, 2022	115,744
Less than one year	26,915
Greater than one year	88,829
Total lease obligation	115,744

The Company's future minimum lease payments are as follows:

	$
Due in the next 12 months	45,600
Due in the 1-2 years	45,600
Due in 2-3 years	45,600
Due in 3-4 years	19,000
	155,800

10. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At November 30, 2022, the Company has 97,701,991 common shares issued and outstanding.

b) Share issuances

<u>During the nine- month period ended November 30, 2022</u>

- The Company issued 8,649,999 common shares valued at $0.15 per share, in connection with the acquisition as discussed in note 4.
- The Company issued 22,500,000 common shares valued at $0.06 per share, in connection with the acquisition as discussed in note 6(b).

<u>During the period from December 16, 2020 to November 30, 2021</u>

- On April 27, 2021, the Company issued 45,000,000 common shares at $0.03 per share to acquire right, title and interest in the assets and business of Redytogo Clinic operating in London, Ontario (Note 6 (a))
- On April 30, 2021, the Company issued 7,000,000 common shares at $0.03 per share to acquire a 40% ownership and control of Manitari Pharma Inc. (Note 5).
- On April 30, 2021, the Company issued 1,500,000 common shares at $0.03 per share for services.
- On August 4, 2021, the Company issued 13,052,008 common shares at $0.15 per share in private placements and raised $1,957,801.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $175,899.

As at November 30, 2022 and February 28, 2022, the Company has no stock options of warrants outstanding.

(in Canadian dollars)

11. Subscription receipts and convertible debentures

The Company had received cash in escrow for $507,000 for subscription receipts. Each subscription receipt is exercisable into one $1,000 principal amount convertible debenture of the Company, on the Going Public Event, which shall have the following terms:

(i) Matures 18 months from commencement of trading of the Resulting Issuer Shares on the Canadian Stock Exchange;
(ii) 10% interest per annum payable on maturity
(iii) Convertible at $0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at $0.40 per share for two years from the issue date of the convertible debenture; and
(iv) Forced conversion of the convertible debenture if the shares close higher than $0.40 per share for 10 consecutive trading days

"Going Public Event" means any one of (i) an initial public offering by the Company; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange (TSXV); or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Company with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States on terms determined by the board of directors of the Company.

Effective July 28, 2022, Optimind was part of a triangular amalgamation among Optimind, its wholly owned subsidiary 1000033135 Ontario Inc. and Optimind Pharma Inc. Subscription receipts for the face value of $507,000 were accordingly converted to convertible debentures which now mature on January 28, 2024. Of this amount, $54,765 was allocated to the equity component of the Debentures and the remaining amount allocated to the liability component, to be accreted over the term of the Debentures.

As at November 30, 2022, the Company's Debentures were comprised of the following:

		Equity component of convertible debenture		Liability component of convertible debenture		Total
Balance, July 28 2022	**$**	**54,765**	**$**	**452,235**	**$**	**507,000**
Accretion		-		12,427		12,427
Balance, November 30, 2022	**$**	**54,765**	**$**	**464,662**	**$**	**519,427**

(in Canadian dollars)

12. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO")

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		Nine months ended November 30, 2022		Incorporation on December 16, 2020 to November 30, 2021
Consulting fees paid to the CEO	$	20,340	$	13,560
Common shares issued for services to the CEO		-		45,000
Consulting fees paid to the CFO	$	50,992	$	8,475
		71,332	$	67,035

		Three months ended November 30, 2022		Three months ended November 30, 2021
Consulting fees paid to the CEO	$	6,780	$	6,780
Consulting fees paid to the CFO	$	18,052	$	8,475
		28,420	$	15,255

At November 30, 2022, there was $nil due to the CEO and $nil due to the CFO for services.

At February 28, 2022 there was $nil due to the CEO and $nil due to the CFO for services.

13. Financial Instruments

The Company's financial instruments consist of cash, restricted cash, accounts receivable, accounts payable, other payables and convertible debentures. The fair value of the Company's accounts receivable, accounts payable and other payables approximate carrying value, due to their short-term nature. The Company's cash and restricted cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk as during the period ended November 30, 2022, 87% of its revenue was from 5 customers (November 30, 2021: 86% from one customer).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at November 30, 2022, the Company had sufficient unrestricted cash of $787,677 to settle current liabilities of $95,456.

13. Financial Instruments (Cont'd)

Financial risk management and objectives (Cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant current risk.

14. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at November 30, 2022 totaled $3,609,425. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's management of capital during the period.

15. Segment Information

The Company is in the business of non-OHIP treatment operations, including Ketamine treatments and cannabis referrals. In addition, the Company has a 40% ownership interest in Manitari, which has applied for a Psilocybin dealers license to produce Psilocybin

For the period ended November 30, 2022 and 2021, the Company's entire revenue comprises of Ketamine and cannabis referrals. All assets are in Canada.

16. Subsequent events

On January 12, 2022 the Company issued 150,000 common shares for services.