

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
Unaudited
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Mydecine Innovation Group Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at,	Note	September 30, 2023	December 31, 2022
		\$	\$
Current assets			
Cash		17,339	11,030
Other receivables	4	-	86,667
Sales tax receivable		101,300	276,135
Marketable securities	4	-	4,617,885
Prepays and deposits	5	3,844,750	1,220,349
Total current assets		3,963,389	6,212,066
Non-current assets			
Prepays and deposits	5	490,667	678,916
Property and equipment	6	-	9,876
Total assets		4,454,056	6,900,858
Current liabilities			
Accounts payable and accrued liabilities	14	5,468,259	5,371,916
Notes payable	8	88,088	85,204
Derivative liabilities	9	-	346,667
Total current liabilities		5,556,347	5,803,787
Non-current liabilities			
Convertible debentures, net	7	5,415,406	4,696,974
Total liabilities		10,971,753	10,500,761
Shareholders' equity (deficiency)			
Share capital	10	125,019,011	115,918,379
Contributed surplus	10	16,787,778	16,787,778
Equity portion of convertible debentures	7	175,756	175,756
Deficit		(148,500,242)	(136,481,816)
Total shareholders' equity (deficiency)		(6,517,697)	(3,599,903)
Total liabilities and shareholders' equity (deficiency)		4,454,056	6,900,858

Nature, continuance of operations and going concern (Note 1)
Commitments (Note 13)

Approved on behalf of the Board on November 14, 2023

"David Joshua Bartch"

Director

"Rob Roscow"

Director

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED
(EXPRESSED IN CANADIAN DOLLARS)

	Note	For the three-months ended,		For the nine-months ended,	
		September 30,	September 30,	September 30,	September 30,
		2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Finance cost	7	246,919	224,207	721,458	683,870
Corporate development		-	-	503,649	141,452
Depreciation	6	1,197	25,763	9,875	120,336
Consulting fees		174,247	904,273	3,630,961	3,032,041
Director and management fees	12	15,601	119,008	324,484	349,864
Foreign exchange loss		33,392	200,046	20,009	174,270
Insurance		-	617,232	49,169	1,166,106
Office and miscellaneous		85,522	5,783	320,672	246,328
Professional fees		78,477	24,981	540,947	1,017,614
Regulatory and filing fees		19,689	52,433	151,283	52,433
Research and development		86,899	467,169	331,983	2,169,180
Salaries	12	441,013	85,620	1,209,823	1,460,862
Total expenses		1,182,956	(2,726,515)	7,814,313	(10,614,356)
Other income (expenses)					
Change in fair value of derivative liabilities	9	-	-	-	(261,690)
Loss on lease termination		-	(316,209)	-	(316,209)
Revaluation of marketable securities	4	-	-	(2,807,318)	-
Other income		-	-	26,667	-
Other receivable provision	4	-	-	(1,285,365)	-
Loss on settlement of debt	10	-	-	(5,425)	-
Transaction costs		-	-	(132,672)	-
Total other income (expenses)		(1,182,956)	(316,209)	(4,204,113)	(577,899)
Loss from continuing operations		(1,182,956)	(3,042,724)	(12,018,426)	(11,192,255)
Loss from discontinued operations		-	(279,623)	-	(279,623)
Net loss and comprehensive loss for the period		(1,182,956)	(3,322,347)	(12,018,426)	(11,471,878)
Net loss per share – Basic and diluted from continuing operations		(0.04)	(0.35)	(0.49)	(1.57)
Weighted average number of shares outstanding – Basic and diluted		28,749,138	9,537,322	24,442,135	7,325,252

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
UNAUDITED
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share Capital	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Shareholders' Equity
Balance, December 31, 2021		5,218,600	\$ 107,662,388	\$ 17,288,315	\$ 175,756	\$ (124,915,140)	\$ 211,319
Shares issued for financing	10	5,853,125	5,801,174	318,127	-	-	6,119,301
Share issuance cost	10	-	(541,644)	156,819	-	-	(384,825)
MindLeap Health Inc.'s – anti dilution clause	10	53,175	1,462,324	-	-	-	1,462,324
Neuropharm Inc.'s – anti dilution clause	10	10,397	207,939	(207,939)	-	-	-
Neuropharm performance warrants exercised	10	17,600	86,296	(86,296)	-	-	-
Net loss from discontinued operations		-	-	-	-	(279,623)	(279,623)
Net loss for the period		-	-	-	-	(11,192,255)	(11,192,255)
Balance, September 30, 2022		11,152,897	\$ 114,678,477	\$ 17,469,026	\$ 175,756	\$ (136,387,018)	\$ (4,063,759)
Balance, December 31, 2022	10	14,895,612	\$ 115,918,379	\$ 16,787,778	\$ 175,756	\$ (136,481,816)	\$ (3,599,903)
Shares issued for financing	10	10,293,554	4,650,000	-	-	-	4,650,000
Debt settlement	10	601,638	353,966	-	-	-	353,966
Shares issued for services	10	18,750,000	3,750,000	-	-	-	3,750,000
Derivative liability settlement	10	666,667	346,666	-	-	-	346,666
Net loss for the period		-	-	-	-	(12,018,426)	(12,018,426)
Balance, September 30, 2023		45,207,471	125,019,011	16,787,778	175,756	(148,500,242)	(6,517,697)

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(EXPRESSED IN CANADIAN DOLLARS)

For the six months ended,	Note	September 30, 2023	September 30, 2022
Cash flows used in			
Operating activities			
Net loss for the period		\$ (12,018,426)	\$ (11,192,255)
Items not affecting cash:			
Depreciation	6	9,875	120,336
Finance cost	7	721,452	677,010
Foreign exchange		(135)	12,020
Gain on lease termination		-	316,209
Realized loss on marketable security	4	2,807,318	-
Other receivable provision	4	1,285,366	-
Loss on debt settlement		5,425	-
Change in fair value of derivative liability		-	261,690
		(7,189,125)	(9,804,990)
Changes in non-cash working capital items:			
Accounts receivable		261,502	3,856
Prepays and deposits		1,313,848	1,790,529
Sales taxes receivable		-	(34,224)
Accounts payable and accrued liabilities		444,883	1,097,004
Cash used in continuing operations		(5,168,892)	(6,947,825)
Cash used in discontinued operations		-	(230,705)
Cash used in operating activities		-	(7,178,530)
Investing activities			
Sale of marketable security	4	500,001	-
Sale of marketable securities warrants	4	25,200	-
Net cash used in investing activities		525,201	-
Financing activities			
Proceeds from sale of shares	7	4,650,000	6,119,301
Notes payable, net	8	-	72,962
Lease payments		-	(35,466)
Share issuance costs		-	(384,825)
Net cash provided from financing activities		4,650,000	5,807,618
Foreign exchange on cash		-	-
Increase (decrease) in cash during the period		6,309	(1,406,378)
Cash, beginning of the period		11,030	1,495,311
Cash, end of the period		\$ 17,339	\$ 88,933

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

MYDECINE INNOVATIONS GROUP INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
UNAUDITED
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1. NATURE, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Mydecine Innovations Group Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. On May 27, 2020 the Company changed its name to Mydecine Innovations Group Inc. The Company’s common shares trade on the Canadian Securities Exchange (CSE: MYCO), OTC exchange (OTC:MYCOF) and on the Frankfurt stock exchange (FSE:0NFA). The Company’s principal activities are research, drug development and clinical trials of psilocybin products. The registered address, head office, principal address and records office of the Company are located at Suite 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

As at September 30, 2023, the Company has an accumulated deficit of \$148,500,242 (December 31, 2022 - \$136,481,816), net loss of \$12,018,426 (September 30, 2022 - \$11,192,255) and cash used in operating activities of \$5,168,892 (September 30, 2022 - \$6,947,825). The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as set out in the CPA Canada Handbook – Accounting (“CPA Handbook”) as issued by the International Accounting Standards Board (“IASB”). The policies set out below have been consistently applied to all years presented unless otherwise noted.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on November 14, 2023.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments and investment properties, which are measured at fair value through profit and loss, as explained in the accounting policies below. Historical costs are generally based upon the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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2. BASIS OF PRESENTATION (CONTINUED)

Functional Currency

All figures presented in the condensed interim consolidated financial statements are reflected in Canadian dollars. The Company and NeuroPharm Inc. functional currency is the Canadian dollar. The functional currency of all the companies included in the spin-out was the US dollar.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into Canadian dollars, the Group's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in accumulated other comprehensive loss.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. As at December 31, 2022, the following is a list of the Company's operating subsidiaries:

Name	Jurisdiction of incorporation	Interest
Mydecine Group (1220611 BC Ltd)	Canada	100%
NeuroPharm Inc	Canada	100%

All inter-company transactions and balances have been eliminated on consolidation.

Discontinued operating and assets held for distribution

A non-current asset or a group of assets and liabilities is held for distribution when its carrying amount will be recovered principally through its divestiture and not by continuing utilization. To meet this definition, the asset must be available for immediate distribution, and divestiture must be highly probable.

These assets and liabilities are recognized as assets held for distribution and liabilities associated with assets held for distribution, without offset. The related assets recorded as assets held for distribution are valued at the lower of fair value, net of divestiture fees, and cost less accumulated depreciation and impairment losses, and are no longer depreciated.

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2. BASIS OF PRESENTATION (CONTINUED)

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for distribution have been met, or when the Company has sold the asset.

Discontinued operations are presented on a single line of the condensed interim consolidated statements of loss and comprehensive loss for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to sell the assets and liabilities making up the discontinued operations are presented on one separate line of the condensed interim consolidated statements of cash flows for the periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2022.

Convertible Debentures

The convertible debentures which meet the fixed-for-fixed criteria (fixed consideration received and fixed number of shares issued upon conversion) are separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for the non-convertible debt with similar terms in the time of issue. The fair value of the equity component is determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component. Subsequent modifications to equity components of convertible debenture do not affect the carrying value.

Transaction costs that are directly attributed to the issuance of the debentures are recorded against equity and loan components on a pro-rated basis. Transaction costs allocated to the liability component are accreted over the term of the loan using the effective interest rate method.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Expected credit losses on other receivables

The Company estimates the expected credit loss on other receivables based on management's best estimate of the lifetime expected credit loss calculated based on probability of default, loss given default, and outstanding balance of the loan. As at September 30, 2023, the total lifetime expected credit loss on other receivables was estimated to be \$1,285,366.

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4. MARKETABLE SECURITIES

During the period ended December 31, 2022, the Company received 18,000,000 units of Pangenomic Health Inc. pursuant to the sale of Mindleap.

The following is a continuity schedule of marketable securities of Pangenomic Health Inc.:

	Pangenomic Health Inc.
Common shares	
Balance, December 31, 2021	-
Common shares received as consideration	18,000,000
Disposition of common shares to settle convertible debenture interest (Note 7)	(2,750,000)
Balance, December 31, 2022	15,250,000
Shares disposed pursuant to share sale agreement	(15,250,000)
Balance, September 30, 2023	-
Warrants	
Balance, December 31, 2021	-
Warrants received as consideration	18,000,000
Balance, December 31, 2022	18,000,000
Warrants disposed pursuant to sale	(18,000,000)
Balance, September 30, 2023	-

The following are the fair values of Pangenomic Health Inc.'s securities at December 31, 2022 and September 30, 2023:

	Pangenomic Health Inc.
	\$
Common shares	
Balance, December 31, 2021	-
Common shares received as consideration	3,600,000
Disposition of common shares to settle convertible debenture interest (Note 7)	(550,000)
Change in fair value of marketable securities	(1,262,634)
Balance, December 31, 2022	1,785,366
Sale of common shares	(1,785,366)
Balance, September 30, 2023	-
Warrants	
Balance, December 31, 2021	-
Warrants received as consideration	1,985,896
Change in fair value of marketable securities	846,623
Balance, December 31, 2022	2,832,519
Disposition of warrants	25,200
Realized loss of marketable securities	(2,807,319)
Balance, September 30, 2023	-

On January 4, 2023, the Company entered into share sale agreements with arms length parties and sold 15,250,000 common shares for gross proceeds of \$1,785,366, which approximated the fair value at December 31, 2022. As of September 30, 2023, the Company has collected \$500,000 from the disposition of these shares. During the period ended September 30, 2023, an expected credit loss provision of \$1,285,366 was recognized in relation to the other receivables and included on the statement of loss and comprehensive loss.

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On February 23, 2023, the Company entered into a purchase agreement with arms length parties to sell 18,000,000 warrants for gross proceeds of \$25,200. The proceeds for the sale were received during the period ended September 30, 2023. Upon the sale transactions, the Company recognized a realized loss on marketable securities of \$2,807,318.

5. PREPAIDS AND DEPOSITS

	September 30, 2023	December 31, 2022
	\$	\$
Research and development	710,044	1,032,065
Corporate development	-	835,577
Consulting	3,593,750	-
Deposits	31,623	31,623
Total	4,335,417	1,899,265
Short-term	3,844,750	1,220,349
Long-term	490,667	678,916

6. PROPERTY AND EQUIPMENT

	Leasehold improvements	Equipment	Total
	\$	\$	\$
Cost			
Balance at December 31, 2021	227,362	356,812	584,174
Disposals	(227,362)	(332,162)	(559,524)
Balance at December 31, 2022 and September 30, 2023	-	24,650	24,650
Accumulated depreciation			
Balance, December 31, 2021	92,876	56,388	149,264
Depreciation	31,846	50,387	82,233
Disposals	(124,722)	(92,001)	(216,723)
Balance, December 31, 2022	-	14,774	14,774
Depreciation	-	9,876	9,876
Balance, September 30, 2023	-	24,650	24,650
Net book values			
December 31, 2022	-	9,876	9,876
September 30, 2023	-	-	-

As at September 30, 2023 and December 31, 2022, the Company did not recognize an impairment of property and equipment.

On June 19, 2022, the Company terminated its lease agreement and as part of the termination, the Company forfeited leasehold improvement and equipment held at the leased facility. The Company recognized a loss on lease termination of \$342,801 on the Statement of Loss and Comprehensive Loss.

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7. CONVERTIBLE DEBENTURES

On December 9, 2021, the Company closed a senior secured convertible debenture financing on a non-brokered private placement basis for gross proceeds of \$5,500,000. The debenture bears annual interest of 10%, matures in 36 months and the principal and interest are convertible into units (“conversion units”) at a conversion price of \$8.50, at the option of the debenture holder. Each conversion unit will consist of one (1) common share of the Company common share purchase warrant. Additionally, the Company issued 647,059 warrants which will entitle the holder to purchase one (1) additional common share of the Company at a price of \$8.50 per Warrant Share for a period of thirty-six (36) months from the issuance date.

On May 19, 2023, the Company amended the conversion price of the convertible debentures and the exercise price of the debenture warrants. The conversion price of the convertible debenture and exercise price of the debenture warrants were amended from \$8.50 to \$0.35. All other terms of the convertible debenture and the debenture warrants remain unchanged. The amendment did not affect the carrying value of the conversion feature or warrants.

The convertible debenture is a compound financial instrument. Management estimated the fair value of the debt using a discount rate of 20% applicable to the Company’s business, with the residual value allocated to the equity components of the convertible debenture. The Convertible Debenture has \$37,743 of deferred loan costs which are amortized over the life of the loan and are recorded in interest expense. For the year ended December 31, 2022, the Company recognized interest and accretion of \$892,672 (2021 - \$51,404) in relation to the convertible debentures issued in 2021.

The residual value was allocated between the warrants and the conversion feature using the relative fair value method. The Black Scholes Pricing Model was used to determine the fair value of the warrants. The inputs to the pricing model were a stock and exercise price of \$8.50, expected life of 3 years, volatility 149%, and risk-free rate of 0.17%. The Company utilized the Monte Carlo option model to estimate the fair value for the conversion feature. This resulted in an allocated value of \$918,604 to the warrants and \$240,756 to the conversion feature.

The following table reconciles the recorded value of the liability and the equity components of the convertible debentures at December 31, 2022 and September 30, 2023:

	Convertible debenture \$	Warrants issued with debenture – Contributed Surplus \$	Equity component of convertible debenture \$	Total \$
Balance, December 31, 2021	4,354,302	670,604	175,756	5,200,662
Interest and accretion expense	892,672	-	-	892,672
Interest settlement (Note 4)	(550,000)	-	-	(550,000)
Balance, December 31, 2022	4,696,974	670,604	175,756	5,543,334
Interest and accretion expense	718,432	-	-	718,432
Balance, September 30, 2023	5,415,406	670,604	175,756	6,261,766

On December 9, 2022, the Company disposed of 2,750,000 common shares of Pangenomic to the convertible debenture holder and settled an interest payable of \$550,000 (Note 4).

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8. NOTES PAYABLE

On March 8, 2022, the Company entered into a secured note payable with an arms-length party for \$151,889 which bears a 5% interest rate annually and matures on March 7, 2023. The security interest in the Company includes certain current assets of the Company. During the period ended September 30, 2023, the Company recorded interest of \$3,019 (2022 - \$2,783), made repayments of \$Nil (2022 - \$77,108) and recorded a foreign exchange gain of \$135. As at September 30, 2023, the note payable balance was \$88,088 (December 31, 2022 - \$85,204). On March 7, 2023, the Company defaulted on the note payable and the defaulted note payable bears interest of 12% interest per annum. The Company is in negotiation with the creditor to settle this note payable.

9. DERIVATIVE LIABILITIES

The derivative liabilities consist of Mindleap's Anti-Dilution Securities for 1,590,909 shares. On February 16, 2023, the Company entered into a settlement agreement with the Anti-Dilution Securities holders and issued 666,667 common shares with a fair value of \$346,667 to settle this derivative liability.

	Mindleap Anti-dilution Securities \$
Balance, December 31, 2020	1,586,744
Issuance of common shares	(262,762)
Change in fair value of derivative liabilities	(43,688)
Balance, December 31, 2021	1,280,294
Issuance of common shares	(305,756)
Change in fair value of derivative liabilities	(627,871)
Balance, December 31, 2022	346,667
Shares issued to settle derivative liability	(346,667)
Balance, September 30, 2023	-

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized: Unlimited common shares without par value

Period ended September 30, 2023:

Issued: common shares 26,457,471 (December 31, 2022 – 14,895,612 common shares)

On January 19, 2023, the Company completed a private placement and issued 1,182,795 common shares for gross proceeds of \$550,000.

On February 1, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 10, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 22, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 1, 2023, the Company issued 140,350 common shares with a fair value of \$77,193 and settled debt of \$80,000. The Company recorded a gain on settlement of debt of \$2,808.

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On February 9, 2023, the Company issued 461,288 common shares with a fair value of \$276,773 and settled debt of \$268,540. The Company recorded a loss on settlement of debt of \$8,233.

On February 28, 2023, the Company issued 666,667 common shares with a fair value of \$346,666 and settled the Company's derivative liability in full.

On April 6, 2023, the Company completed a private placement and issued 1,340,206 common shares for gross proceeds of \$650,000.

On April 12, 2023, the Company completed a private placement and issued 2,061,855 common shares for gross proceeds of \$1,000,000.

On May 29, 2023, the Company completed a private placement and issued 1,515,151 common shares for gross proceeds of \$500,000.

On September 19, 2023, the Company issued 18,750,000 common shares with a fair value of \$3,750,000 for prepaid services.

Year ended December 31, 2022:

On January 11 and 31, 2022, the Company issued 17,600 common shares upon the exercise of 17,600 Neuropharm performance warrants and reclassified an amount of \$431,482 from contributed surplus to share capital.

On March 16, 2022, the Company issued 53,175 anti-dilution common shares in relation to Mindleap's acquisition with a fair value of \$305,756.

On February 3, 2022, the Company issued 10,397 anti-dilution common shares in relation to Neuropharm's acquisition with a fair value of \$544,001 and reclassified an amount of \$544,001 from contributed surplus to share capital.

On March 30, 2022, the Company completed a private placement and issued 70,547 common shares for gross proceeds of \$333,333. The Company paid finder's fees of \$179,445 and professional costs of \$10,021.

On April 28, 2022, the Company completed a private placement and issued 1,254,396 common shares for gross proceeds of \$1,693,435. The Company paid finder's fees of \$267,780.

On May 27, 2022, the Company completed a private placement and issued 2,447,130 Units of the Company for gross proceeds of \$2,814,200. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$1.40 for a period of 5 years from the date of issuance. The fair value of the Warrants was \$318,127 using the residual method. The Company paid finder's fees of \$200,674. The Company issued 49,560 broker warrants and 121,739 advisory warrants with fair values of \$45,371 and \$111,448, respectively. The broker and advisory warrants entitle the holder to purchase one additional common share at a price of \$1.15 for a period of 5 years from the date of issuance. The fair value of the broker and advisory warrants was measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - \$1.02; exercise price - \$1.15; expected life - 5 years; volatility - 146%; dividend yield - Nil; and risk-free rate - 2.59%.

On August 16, 2022, the Company completed a private placement and issued 326,666 common shares for gross proceeds of \$245,000.

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On September 16, 2022, the Company completed a private placement and issued 1,754,386 common shares for gross proceeds of \$1,000,000.

On November 1, 2022, the Company completed a private placement and issued 943,396 common shares for gross proceeds of \$500,000.

On November 28, 2022, the Company completed a private placement and issued 943,396 common shares for gross proceeds of \$500,000.

On December 7, 2022, the Company issued 950,263 common shares for gross proceeds of \$541,650 pursuant to debt settlements.

On December 9, 2022, the Company completed a private placement and issued 905,660 common shares for gross proceeds of \$480,000.

Stock Options

The Company has adopted the 2021 Mydecine Equity Incentive Plan (the "Incentive Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Incentive Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Incentive Plan may have a maximum exercise term of 10 years from the date of grant, the term is set by the plan administrator. Vesting terms will be determined at the time of grant by the Board of Directors.

During the periods ended September 30, 2023 and 2022, the Company did not grant any stock options.

As at September 30, 2023, the Company had stock-options outstanding and exercisable enabling holders to acquire the following:

Number of Stock-Options	Exercise Price	Expiry Date
9,832	\$23.50	June 21, 2024
4,351	\$4.75	February 21, 2025
4,680	\$3.00	March 20, 2025
5,000	\$25.00	August 5, 2025
60,000	\$12.00	September 16, 2025
160,000	\$10.50	September 24, 2025
243,863		

A summary of the status of the Company's stock options outstanding and exercisable as at September 30, 2023 and changes during those periods is presented below:

	Number of Options Issued and Exercisable	Weighted Average Exercise Price
Balance, December 31, 2021	263,863	\$ 11.50
Expired/cancelled	(20,000)	(13.00)
Balance, December 31, 2022 and September 30, 2023	243,863	\$ 11.45

The stock options have a weighted average remaining life of 1.91 years.

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Warrants

As at September 30, 2023, the Company had warrants outstanding and exercisable enabling holders to acquire the following:

Number of Warrants Issued	Number of Warrants exercisable	Exercise Price	Expiry Date
23,000	23,000	variable	August 31, 2025
707,250	707,250	15.00	February 12, 2024
48,300	48,300	15.00	February 12, 2024
2,740	2,740	15.00	October 1, 2023
24,701	24,701	15.00	October 7, 2023
647,059	647,059	0.35	December 9, 2024
2,447,130	2,447,130	1.40	May 27, 2027
171,299	171,299	1.15	May 27, 2027
4,071,479	4,071,479		

A summary of the status of the Company's warrants outstanding and exercisable as at September 30, 2023 and December 31, 2022, and changes during those periods is presented below:

	Number of Warrants Issued	Weighted Average Exercise Price
Balance, December 31, 2021	1,830,114	20.53
Exercised warrants	(38,000)	-
Issued	2,618,429	1.38
Expired	(245,060)	(10.26)
Balance, December 31, 2022	4,165,482	8.85
Expired	(94,003)	(15)
Balance, September 30, 2023	4,071,479	8.72

11. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

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The following is an analysis of the Company's financial assets and liabilities at fair value as at September 30, 2023 and December 31, 2022.

As at September 30, 2023					
		Level 1	Level 2	Level 3	
Cash	\$	17,339	\$	-	\$ -
Other receivables	\$	101,300	\$	-	\$ -
Total financial assets	\$	118,639	\$	-	\$ -
Notes payable	\$	-	\$	88,088	\$ -
Convertible debentures	\$	-	\$	5,415,406	\$ -
Total financial liabilities	\$	-	\$	5,503,494	\$ -
As at December 31, 2022					
		Level 1	Level 2	Level 3	
Cash	\$	11,030	\$	-	\$ -
Marketable security	\$	1,785,366	\$	2,832,519	\$ -
Other receivables	\$	86,667	\$	-	\$ -
Total financial assets	\$	97,697	\$	-	\$ -
Notes payable	\$	-	\$	85,204	\$ -
Convertible debentures	\$	-	\$	4,696,974	\$ -
Derivative liabilities	\$	-	\$	346,667	\$ -
Total financial liabilities	\$	-	\$	5,128,845	\$ -

For the remaining financial assets and liabilities measured at amortized cost, the carrying values approximate the fair values of the financial instruments given their short-term maturity.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held with major financial institutions, from which management believes the risk of loss to be minimal.

On January 4, 2023, the Company entered into share sale agreements with arms length parties and sold 15,250,000 Pangenomic common shares for gross proceeds of \$1,785,366 (Note 4). As of September 30, 2023, the Company has collected \$500,000 from the disposition of these shares. During the period ended September 30, 2023, an expected credit loss provision of \$1,285,366 was recognized in relation to the other receivables and included on the statement of loss and comprehensive loss. The increase in the expected credit loss was a result of changes in the expected probability of default and loss given default percentage at September 30, 2023.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company ensures that sufficient funds are raised from private placements or loans to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months of September 30, 2023, to the exception of the convertible debentures.

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. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets. The Company is not susceptible to interest rate fair value risk on its convertible debentures and notes payable that bear fixed interest rates.

Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions and balances denominated in currencies other than the Canadian dollar. The Company performed a sensitivity analysis utilizing a 1% factor and concluded currency risk is not significant to the consolidated financial statements.

12. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers as follows:

<i>Management Compensation</i>	2023	2022
	\$	\$
	Salary, bonus, and consulting fees	Salary, bonus, and consulting fees
<i>Period Ended September 30, 2023</i>	\$	\$
Director and management fees paid to the CEO of the Company	351,206	258,304
Director and management fees paid to the CFO of the Company	39,400	189,200
Management fees paid to the COO	351,751	254,850
Management fees paid to other officers of the Company	642,405	674,550
Director fees	-	87,500
Total	1,384,762	1,464,404

During the period ended September 30, 2023, the Company has an accrual for deferred salary, bonuses, and compensation for \$1,908,004 (December 31, 2022- \$1,351,976) for the executive team and board directors included in accounts payable and accrued liabilities within the consolidated statement of financial position.

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13. COMMITMENTS

For the period ended September 30, 2023, the Company has numerous agreements which have created both a short term and long commitments. These commitments consist of research contracts with universities, convertible debentures and note payables.

	2023	2024	2025	2026	Total
	\$	\$	\$	\$	\$
Convertible debenture (Note 7)	-	5,500,000	-	-	5,500,000
Note payable (Note 8)	88,088	-	-	-	88,088
Research and development contracts	1,778,000	1,613,000	1,613,000	1,613,000	6,617,000
Total	1,866,088	7,113,000	1,613,000	1,613,000	12,205,088

The convertible debenture has interest on the outstanding principal amount of 10% per annum which is due on December 9, 2023 and 2024.

14. ACCOUNTS PAYABLE

	September 30, 2023	December 31, 2022
	\$	\$
Accounts payable	3,214,283	3,809,105
Amount due to related parties	1,908,004	1,351,976
Accrued liabilities	345,972	210,832
Total	5,468,259	5,371,913

15. SUBSEQUENT EVENTS

On October 27, 2023, the Company completed a private placement and issued 7,360,000 common shares for gross proceeds of \$1,104,000.