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NeonMind Announces Brokered Private Placement with Research Capital Corporation

Vancouver, B.C. – October 29, 2021: NeonMind Biosciences Inc. (CSE: NEON) (OTCQB: NMDBF) (FRA: 6UF) ("NeonMind" or the "Company"), an integrated drug development and wellness company, has entered into an engagement letter (the "**Engagement Letter**") with Research Capital Corporation ("**RCC**" or the "**Agent**") dated October 21, 2021 in connection with a private placement offering (the "**Offering**") of up to 2,000 units of the Company (the "**Units**") at a price of \$1,000 per Unit, for gross proceeds of up to \$2,000,000. Each Unit will consist of (i) a 10% convertible unsecured debenture in the principal amount of \$1,000 (a "**Debenture**"); and (ii) 8,000 common share purchase warrants of the Company (the "**Warrants**").

Pursuant to the Offering, RCC will act as lead agent and sole bookrunner on a best-efforts basis for the Offering. The Company will also grant to the Agent an over-allotment option to offer up to an additional 15% of Units or up to an additional \$300,000 in Units.

The Debentures will bear interest at a rate of 10% per annum on an accrual basis from issuance, calculated and payable semi-annually in arrears on May 31 and November 30 of each year with the first such payment anticipated to commence on November 30, 2021, with a redemption date that is 24 months from issuance. The outstanding principal amount of the Debentures will be convertible in full or in part, at the holders' option, into common shares in the capital of the Company at a price of \$0.12 per common share, at any time prior to their redemption. Each Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.14 per share for a period of 36 months from the date of issue.

The Company shall pay the Agent a cash compensation equal to up to 10.0% (including the Agent's 2.0% advisory fee, the "**Advisory Fee**") of the gross proceeds of the Offering. In addition, the Company will grant the Agent or its subagents common share purchase warrants entitling the holder thereof to purchase such number of Units (the "**Compensation Units**") as is equal to up to 10.0% (including the Agent's 2.0% advisory fee warrants, the "**Advisory Fee Warrants**") of the gross proceeds of the Offering divided by \$0.12. Each Compensation Unit will be exercisable at \$0.12 to acquire one common share of the Company and one common share purchase warrant (collectively with the Advisory Fee Warrants, a "**Compensation Unit Warrant**") at any time up to 24 months following the closing. Each Compensation Unit Warrant shall be exercisable into one common share of the Company at \$0.14 at any time up to 36



months following the closing. For any purchasers identified on the Company's president list, the Company shall only pay to the Agent the 2.0% Advisory Fee and issue the 2.0% Advisory Fee Warrants.

It is anticipated that the Units will be eligible for RRSP, RESP, RRIF, TFSA and DPSP accounts within the meaning of the *Income Tax Act* (Canada) subject to certain qualifications. All the securities issued pursuant to the Offering will be subject to a statutory hold period expiring four months and one day from the closing date. The Units will be offered and sold by private placement in Canada to "accredited investors" within the meaning of NI 45-106 - Prospectus Exemptions and other exempt purchasers under the applicable securities laws.

All amounts are in Canadian dollars. The net proceeds from the Offering will be used for general and corporate working capital purposes.

About Research Capital Corporation

Research Capital Corporation is the only private employee-owned Investment Dealer with a significant Capital Markets presence. Its century of experience combined with the industry experience of its Investment Banking team gives it considerable influence in capital raising and M&A transactions. Focusing on the small to mid-cap market, it has raised billions for Canadian listed companies in the past ten years. With a talented group of Capital Markets professionals, Research Capital Corporation is consistently characterized as the Investment Dealer that growth company CEOs turn to when looking for comprehensive investment banking advice along with institutional and retail account distribution.

About NeonMind Biosciences Inc.

NeonMind operates two divisions: (i) a pharmaceutical division engaged in drug development of psychedelic compounds with two lead psilocybin-based drug candidates targeting obesity; and (ii) a medical services division focused on launching specialty mental health clinics that integrate psychedelic therapeutics into traditional psychotherapy settings.

In its pharmaceutical division, NeonMind has two distinct psilocybin drug development programs targeting obesity. NeonMind's lead candidate, NEO-001, employs psilocybin as an agonist at the serotonin 5-HT_{2A} receptor, which is involved in the hallucinogenic effect of psychedelics. The Company's second drug candidate, NEO-002, employs low-dose psilocybin as an agonist at the 5-HT_{2C} receptor, which controls appetite.

NeonMind established a medical services division with the goal of launching NeonMind-branded specialty mental health clinics in Canada that incorporate evidence-backed innovative treatments to address a variety of mental health needs. For more information on NeonMind, go to www.NeonMindBiosciences.com.

Rob Tessarolo, President & Chief Executive Officer, NeonMind Biosciences Inc.



rob@neonmind.com

Tel: 416-750-3101

Investor Relations:

KCSA Strategic Communications

Scott Eckstein/Tim Regan

neonmind@kcsa.com

Tel: 212-896-1210

Media Inquiries:

KCSA Strategic Communications

Annie Graf

neonmind@kcsa.com

Tel: 786-390-2644

The Canadian Securities Exchange has not reviewed, approved nor disapproved the contents of this news release.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or NeonMind's future performance. The use of any of the words "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on NeonMind's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, NeonMind's drug development plans, its ability to retain key personnel, and its expectation as to the development of its intellectual property and other steps in its preclinical and clinical drug development constitute forward-looking information. Actual results and developments may differ materially from those contemplated by forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. The statements made in this press release are made as of the date hereof. NeonMind disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.