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NeonMind Announces \$400,000 Non-Brokered Private Placement of Convertible Debenture Units

Oakville, Ont. – March 21, 2022: NeonMind Biosciences Inc. (CSE: NEON) (OTCQB: NMDBF) (FRA: 6UF) ("NeonMind" or the "Company"), an integrated drug development and wellness company focused on bringing innovative psychedelic-based treatments to people suffering from obesity and mental health disorders, is pleased to announce a non-brokered private placement of units of convertible unsecured debentures (the "**Debentures**") and warrants (the "**Warrants**") of the Company (the "**Offering**") for up to C\$400,000 in aggregate gross proceeds.

The Debentures will bear interest from the date of issue of the Debentures (the "**Closing Date**") at a rate of 10% per annum on an accrual basis, calculated and payable semi-annually in arrears on May 31 and November 30 of each year commencing on May 31, 2022. Interest shall be calculated on the basis of a 360 day year composed of twelve 30-day months. The first Interest payment period shall be calculated from and including the Closing Date (as set out below) to, but excluding, May 31, 2022. All other interest payment periods shall be calculated from and including the date of the latest interest payment date to, but excluding, the current interest payment date.

The principal amount of the Debentures will be convertible into common shares of the Company (the "**Common Shares**"), at the election of the holder of the Debentures, at a conversion price of C\$0.075, if converted at any time before the the Redemption Date (the "**Conversion Price**").

For each Unit subscribed, the subscriber will receive 9,500 Warrants to purchase common shares of the Company. Each Warrant will entitle its holder to acquire one Common Share of the Company at a price of C\$0.08 (the "**Exercise Price**") for a period of 36 months after the Closing Date.

The Conversion Price will be subject to standard anti-dilution provisions, including an adjustment to the Conversion Price in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, a dividend or distribution paid to all or substantially all of the holders of Common Shares, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the



holders of Common Shares or of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.

The Debentures will include events of default customary for a transaction of this type, including but not limited to the following: (i) failure to pay interest or the principal amount when due, (ii) bankruptcy or insolvency of the Company, or (iii) any default by the Company under other material indebtedness after any applicable grace period has expired.

The Debentures, the Warrants and the Common Shares issued on conversion of the Debentures or the Warrants will be legended and subject to a four month hold period from the Closing Date in accordance with applicable securities legislation. All amounts are in Canadian dollars. The net proceeds from the Offering will be used for general and corporate working capital purposes.

The Units will be eligible investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and certain deferred profit-sharing plans under the *Income Tax Act* (Canada).

At Closing, the Company will pay finders a fee being a cash commission of up to 7.0% of the aggregate gross proceeds arising from the Offering (the "**Commission**"). Finders will also receive such number of agent's warrants to buy Shares that is equal to up to 7% of the principal divided by the conversion price, exercisable at the conversion price at any time up to 24 months following the Closing Date. Closing is expected to occur on March 31, 2021.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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 and its strategic partners are building 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.

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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

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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.