No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities.

*The securities referred to herein 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 except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S Persons.*

New Issue Prospectus **January 28, 2021**

PROSPECTUS

BRIGHT MINDS BIOSCIENCES INC.

16,000 Common Shares issuable on deemed exercise of 40,000 Special Warrants at a price of $0.50 per Special Warrant

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No securities are being offered or sold pursuant to this non-offering prospectus (this "**Prospectus**"). This Prospectus is being filed with the securities regulatory in British Columbia, Alberta, Manitoba, and Ontario to enable Bright Minds Biosciences Inc.(the "**Company**") to become a reporting issuer pursuant to the applicable securities legislation in such provinces, and to qualify the distribution of the following securities: 16,000 common shares (the "**Common Shares**") in the capital of the Company issuable upon the deemed exercise of 40,000 issued and outstanding special warrants (the "**Special Warrants**") of the Company. The Special Warrants were issued on November 2, 2020 at a price of $0.50 per Special Warrant to purchasers in the provinces of British Columbia, Alberta, Manitoba and Ontario and outside of Canada on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation (the "**Special Warrant Offering**"). The Common Shares are referred to herein as the "**Qualified Securities**". **The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities.**

The Company has applied to the Canadian Securities Exchange (the "**CSE**") for the listing of the Common Shares. The CSE has conditionally approved the listing of the Common Shares. Listing is subject to the Company fulfilling all the requirements of the CSE, including meeting all minimum listing requirements. There is no guarantee that the CSE will provide final approval for the listing of the Common Shares. The Common Shares have not been listed or quoted on any stock exchange or market.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

There is no market through which the Special Warrants may be sold and purchasers may not be able to resell the Special Warrants acquired pursuant to the Special Warrant Offering. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

	Price	**Proceeds to the Company[(1)]**

Per Special Warrant	$0.50	$0.50
Total	**$20,000**	**$20,000**

Notes:

(1) Before deducting the legal, accounting and administrative expenses of the Company in connection with the Special Warrant Offering, as there were no finder's fees paid in connection with the Special Warrant Offering.

Each Special Warrant is represented by a Special Warrant Certificate and will be deemed exchanged, without payment of any additional consideration and without any further action by the holder, for one Common Share, on the third Business Day after the Prospectus Receipt Date (defined herein). The Special Warrants and the conditions necessary for them to be exercised for Common Shares are described in more detail under the heading "*Plan of Distribution*" in this Prospectus.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

Dr. Revati Shreeniwas, the Chief Medical Officer of the Company, Dr. Alan Kozikowski, the Chief Science Officer of the Company, Dr. Gideon Shapiro, the Vice President (Discovery), Nils Christian Bottler, a director of the Company, and Jeremy Fryzuk, a director of the Company, reside outside of Canada, and have appointed McMillan LLP, 1500-1055 West Georgia Street, Vancouver, BC V6E 4N7 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if he party has appointed an agent for service of process.

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The head office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 and the registered and records office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

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GLOSSARY

The following is a glossary of certain general terms used in this Prospectus, including the summary hereof. Terms and abbreviations used in the financial statements and management's discussion and analysis included in, or appended to this Prospectus are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Audit Committee**" means the audit committee of the Company.

"**Audit Committee Charter**" means the Audit Committee's Charter, attached hereto as Exhibit "B".

"**Audited Financial Statements**" means the audited financial statements of the Company for the year ended September 30, 2020 and the period ended September 30, 2019, together with the notes thereto and the auditors' report thereon, as applicable, attached hereto at Exhibit "A".

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto.

"**BCSC**" means the British Columbia Securities Commission.

"**BED**" means binge eating disorder.

"**BLA**" means a Biologics License Application to be submitted to the U.S. Food and Drug Administration.

"**BMB**" or the "**Company**" means Bright Minds Biosciences Inc., a company organized under the laws of the Province of British Columbia.

"**Board**" means the Board of Directors of the Company.

"**Business Day**" means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"cGMP" means current good manufacturing practices, which provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities pursuant to the U.S. Food and Drug Administration.

"CNS" means central nervous system.

"**Common Share**" means a common share in the capital of the Company.

"**Conditional Approval**" means the approval issued by the CSE for listing of the Common Shares.

"**Consolidation**" means the consolidation of the Common Shares on the basis of 2.5 pre-Consolidation Common Shares for each one post-Consolidation Common Share, having occurred on November 10, 2020.

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange operated by the CNSX Markets Inc.

"**company**" means unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**DRS**" means the Direct Registration System.

"**Eligible Persons**" means all directors, officers, consultants, and employees of the Company and related entities who are eligible to participate in the RSU Plan.

"**Escrow Agreement**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the Escrow Agent and certain shareholders of the Company.

"**Exchange Requirements**" means the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

"**FDA**" means the U.S. Food and Drug Administration.

"**FDCA**" means the U.S. *Federal Food, Drug and Cosmetic Act*.

"**First Tranche**" means the first tranche of the Private Placement, pursuant to which 1,559,847 pre-Consolidation Common Shares were issued at $0.50 per Common Share for gross proceeds of $779,923.50 on September 30, 2020.

"**Form 51-102F6**" means Form 51-102F6 *Statement of Executive Compensation*.

"**Insider**" means:

(a) a director or senior officer of the Company;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the Company;

(c) a Person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company; or

(d) the Company itself if it holds any of its own securities.

"IRB" means independent review board.

"**Listing**" means the listing of the Company's Common Shares on the CSE under the trading symbol "DRUG" or such other symbol approved by the Exchange.

"**Listing Date**" means the date that the Common Shares are listed on the CSE or another stock exchange recognized under provincial securities laws.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**NDA**" means a New Drug Application to be submitted to the U.S. Food and Drug Administration.

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "Executive Compensation".

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Option Plan**" has the meaning set forth in "*Options and Other Rights to Purchase Securities – Option Plan*".

"**Options**" means the options issued pursuant to the Option Plan.

"**Participants**" means all directors, officers, consultants, and employees who participate in the RSU Plan.

"**Person**" means a company or individual.

"**Private Placement**" means the non-brokered private placement of the Company of 5,632,690 pre-Consolidation Common Shares on a pre-Consolidation basis at $0.50 per Common Share for gross proceeds of $2,816,345, the First

Tranche of which completed on September 30, 2020 and the Second Tranche of which completed on November 2, 2020.

"**Promoter**" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

"**Prospectus**" means this prospectus dated January 28, 2021.

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus qualifying the distribution of the Qualified Securities is issued to the Company from the securities regulatory authorities in British Columbia, Alberta, Manitoba, and Ontario.

"**Qualified Securities**" has the meaning as set forth on the face page of this Prospectus.

"**Regulation D**" means Regulation D promulgated under the U.S. Securities Act.

"**Rescission**" means the rescission of 5,750 Special Warrants initially issued pursuant to the Special Warrant Offering and the refund of the purchase price of such Special Warrants to the purchasers thereof, which occurred on January 19, 2021 following a compliance review by the BCSC.

"**Roth Kozikowski Agreement**" has the meaning set forth in "*General Development and Business of the Company - Three Year History*".

"**RSU**" means a restricted share unit granted pursuant to the RSU Plan.

"**RSU Plan**" has the meaning set forth in "*Options and Other Rights to Purchase Securities – Restricted Share Unit Plan".*

"**SAR**" means structure activity relationship.

"**Second Tranche**" means the second tranche of the Private Placement, pursuant to which 4,072,843 pre-Consolidation Common Shares were issued at $0.50 per Common Share on November 2, 2020 for gross proceeds of $2,036,421.50.

"**Shareholders**" means holders of Common Shares.

"**Special Warrantholder**" means holders of Special Warrants.

"**Special Warrant Exercise Date**" means the date the Special Warrants are deemed to have been exercised into one Common Share, which is the earlier of the date that is (i) the third Business Day after the Prospectus Receipt Date and (ii) four months and one day after the issue date of the Special Warrants.

"**Special Warrant Offering**" means the non-brokered private placement of the Company of 40,000 Special Warrants at $0.50 per Special Warrant for gross proceeds of $20,000, which completed on November 2, 2020 and which will result in the deemed exercise of Special Warrants for 16,000 Common Shares due to adjustments as a result of the Consolidation.

"**Special Warrants**" means the special warrants issued by the Company at a price of $0.50 per Special Warrant, pursuant to the Special Warrant Offering entitling the holder thereof to acquire, for no additional consideration, one Common Share pursuant to the terms and conditions in the Special Warrant Certificates.

"**Special Warrant Certificate**" means a certificate representing Special Warrants.

"**Special Warrant Exercise Date**" means the date the Special Warrants are deemed to have been exercised into one Common Share, which is the earlier of the date that is (i) the third Business Day after the Prospectus Receipt Date and (ii) four months and one day after the issue date of the Special Warrants.

"**SSRIs**" means selective serotonin reuptake inhibitors.

"**Stock Option Plan**" means the 10% rolling share option plan of the Company adopted by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange.

"**Transfer Agent**" means the transfer agent and registrar of the Company, anticipated to be Computershare Trust Company of Canada.

"**United States**" or "**U.S.**" means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Warrants**" means warrants to purchase Common Shares.

CURRENCY PRESENTATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to US$ are to United State (US) dollars. Canadian dollars are denoted as $ or C$.

The daily exchange rate on January 20, 2021, as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C$1.00 equals US$0.7901.

INTERPRETATION

Unless the context otherwise requires, all references in this Prospectus to "we", "us", "our" or the "Company" refer to Bright Minds Biosciences Inc., a British Columbia company and where applicable its subsidiaries.

Certain capitalized terms and phrases used in this Prospectus are defined under "Glossary of General Terms". Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Prospectus uses words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", and other similar expressions to identify forward-looking information. These forward-looking statements include, among other things, statements relating to:

- the deemed exercise of the Special Warrants on the Special Warrants Exercise Date;
- the share capital of the Company;
- the listing on the CSE;
- the executive compensation of the Company;
- the composition of the Board and management of the Company.
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to the success of its research and development of serotonergic therapeutics;
- expectations regarding our growth rates and growth plans and strategies;
- expectations that the provisional patent applications will be refiled as regular patent applications in Q2 of 2021
- the medical benefits, safety, efficacy, dosing and consumer acceptance of serotonergic therapeutics;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expected business objectives for the next 12 months;
- the Company's plans with respect to the payment of dividends;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products and services; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Prospectus include, without limitation:

- the ability to obtain listing approval from the CSE;
- obtaining the necessary regulatory approvals;
- that regulatory requirements will be maintained;

- general business and economic conditions;
- the Company's ability to successfully execute its plans and intentions;
- the availability of financing on reasonable terms;
- the Company's ability to attract and retain skilled staff;
- market competition;
- the products, services and technology offered by the Company's competitors; and
- that the Company's current good relationships with the Company's suppliers, service providers and other third parties will be maintained.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Offered Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- Limited operating history
- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management
- The Company may not be successful in its efforts to identify, license or discover additional product candidates
- There is no assurance that the Company will turn a profit or generate immediate revenues
- The continued operation of the Company as a going concern
- The Company's intellectual property and licences thereto
- The Company not achieving timelines for project development set out in this Prospectus
- The Company faces product liability exposure
- The Company has international operations, which subject us to risks inherent with operations outside of Canada
- Exchange rate fluctuations between the U.S. dollar and the Canadian dollar
- Changes to patent laws or the interpretation of patent laws
- The Company may not be able to enforce its intellectual property rights throughout the world
- The lack of product for commercialization
- The lack of experience of the Company/Management in marketing, selling, and distribution products
- The size of the Company's target market is difficult to quantify
- Potentials for conflicts of interest for the Company's officers and directors
- In certain circumstances, the Company's reputation could be damaged
- Negative operating cash flow
- Need for additional financing
- Uncertainty of use of proceeds
- The potential for a material weakness in the Company's internal controls over financial reporting
- Difficulties with forecasts
- Market price of Common Shares and volatility
- No established market for Common Shares
- The Company will be subject to additional regulatory burden resulting from its public listing on the CSE
- Dilution of Common Shares

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the Canadian and United States biotechnology markets and economy (including our opinions, estimates and assumptions relating to the market for serotonergic therapeutics and economy based on that knowledge). We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and neither we nor the Agent make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, neither we nor the Agent have independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company: The Company is a biotechnology company developing next-generation serotonergic therapeutics to improve the lives of patients with severe and life-altering diseases. The Company is based in Vancouver, British Columbia, Canada. See "*Corporate Structure*".

Business of the Company: We are a biotechnology company dedicated to developing the next-generation serotonergic therapeutics to improve the lives of patients with certain severe and life-altering diseases. BMB initially focused on new chemical entities (NCEs) for a variety of pain indications, seizures, and neuropsychiatric disorders. By leveraging the extensive drug discovery experience of the BMB team, we are creating a pipeline of best-in-class 5-HT (serotonin) medicines. While psychedelic medicines like psilocin are currently in clinical trials for the treatment of depression, our patented, lead product candidates feature next generation characteristics. The BMB molecules offer greater safety over the first-generation serotonergic compounds, as they bind with greater selectively to specific 5-HT receptor subtypes, thus avoiding off-target related side effects such as heart valve disease.

See "*General Development and Business of the Company*".

The Special Warrant Offering: Pursuant to the Special Warrant Offering, the Company issued 40,000 Special Warrants for gross proceeds of $20,000 on November 2, 2020, which due to the completion of the Consolidation will be deemed exercised into 16,000 Common Shares. The Company initially issued an additional 5,750 Special Warrants pursuant to the Special Warrant Offering, however such Special Warrants were rescinded and the purchase price refunded on January 19, 2021. See "*Plan of Distribution"* and "*Description of Securities Distributed*".

Issue Price: C$0.50 per Special Warrant.

Qualified Securities This Prospectus is being filed to qualify the distribution of 16,000 Common Shares upon the deemed exercise of 40,000 issued and outstanding Special Warrants, adjusted in accordance with their terms to give effect to the Consolidation.

Listing The Company intends to list its Common Shares on the CSE under the trading symbol "DRUG" or such other symbol accepted by the CSE. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "*Plan of Distribution*".

Use of Proceeds: The Company will use the funds available to it, including the net proceeds from the Special Warrant Offering, to further its business objectives. Specifically, the Company will use the funds available to it as follows:

Principal Purpose	Amount to be Expended
Research and Development (Chemistry)	$350,000
Research and Development (Biology)	$80,000
Research and Development (Formulation and Toxicology)	$400,000
Intellectual Property (Development and License Costs)	$150,000

The Rescission	$2,875
Consultant Fees and Salaries	$240,000
General and Administrative Expenses[(1)]	$150,000
Costs related to Listing	$20,000
Unallocated Working Capital	$726,571.54
TOTAL	**$2,119,446.54**

Notes:

(1) General and administrative expenses are estimated to total $150,000 for the upcoming year, comprising: transfer agent and regulatory fees of $18,000; audit and related fees of $25,000; legal and related fees of $25,000; office and administrative expenses of $30,000; travel and related costs of $18,000; annual general meetings and associated costs of $12,000; and news release, investor relations and associated costs of $22,000.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. See "*Use of Available Funds*".

Directors and Officers of the Company:

The Board of Directors of the Company consists of Ian McDonald, Nils Christian Bottler, Jeremy Fryzuk and Alan Kozikowski. The officers of the Company consist of Ian McDonald (CEO) and Ryan Cheung (CFO), Dr. Alan Kozikowski (Chief Science Officer), Dr. Gideon Shapiro (VP Discovery) and Dr. Revati Shreeniwas (Chief Medical Officer).

Selected Consolidated Financial Information:

Summary of Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements of the Company for the year ended September 30, 2020 (audited), and the year ended September 30, 2019 (audited), and notes thereto included in this Prospectus, and should be read in conjunction with the financial statements, notes thereto and related Management's Discussion & Analysis. All financial statements of the Company are prepared in accordance with IFRS. See "*Selected Financial Information and Management's Discussion and Analysis*".

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

Consolidated Statement of Financial Position Data

	As at and for the year ended September 30, 2020 (audited) ($)	As at and for the period ended September 30, 2019 (audited) ($)
Total Assets	880,216	81,991
Total Liabilities	150,923	36,708
Total Equity	729,293	45,283
Loss and Comprehensive Loss for the Period	(480,377)	(78,717)

Consolidated Statement of Comprehensive Loss Data

	For the year ended September 30, 2020 ($)
Expenses	(480,377)
Interest income	Nil
Foreign exchange loss	Nil
Net loss and comprehensive loss for the period	(480,377)

See "*Selected Financial Information and Management's Discussion and Analysis*".

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business prospectus, financial condition and results of operations. For a detailed description of these risks, see "*Risk Factors*".

CORPORATE STRUCTURE

Incorporation and Offices

Bright Minds Biosciences Inc. (the "**Company**" or "**BMB**") was incorporated under the BCBCA on May 31, 2019 under the name "1210954 B.C. Ltd.". On March 6, 2020, the Company changed its name under the BCBCA to "Bright Minds Biosciences Inc." The head office of the Company is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 and the registered and records office of the Company is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Intercorporate Relationships

The Company has one wholly owned subsidiary PsilocybinLabs Inc. which is not a material subsidiary to the Company.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview

We are a biotechnology company dedicated to developing the next-generation therapeutics to improve the lives of patients with severe and life-altering diseases. BMB initially focused on new chemical entities (NCEs) for a variety of pain indications, seizures, and neuropsychiatric disorders. By leveraging the extensive drug discovery experience of the BMB team, we are creating a pipeline of best-in-class 5-HT (serotonin) medicines. While psychedelic medicines like psilocin are currently in clinical trials for the treatment of depression, our patented, lead product candidates feature next generation characteristics. The BMB molecules offer greater safety over the first-generation serotonergic compounds, as they bind with greater selectivity to specific 5-HT receptor subtypes, thus avoiding off-target related side effects such as heart valve disease.

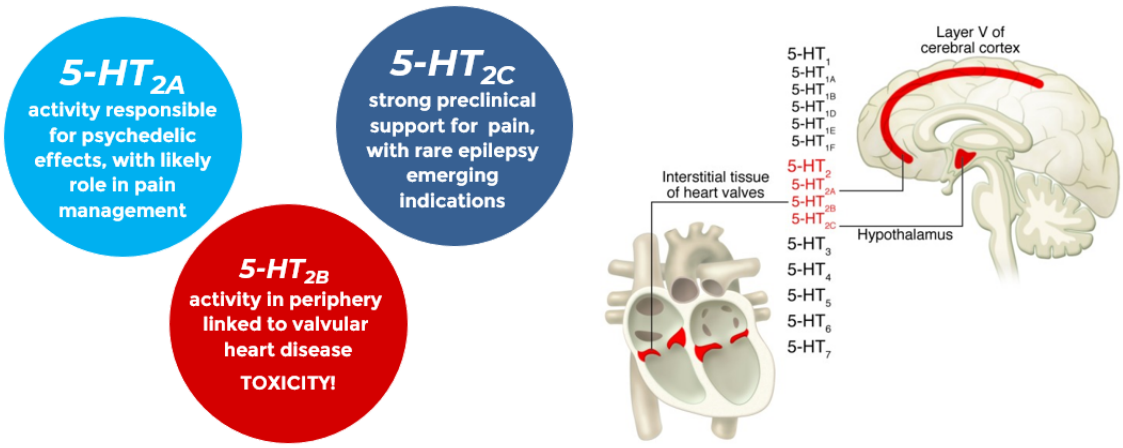
BMB does not advocate for the legalization of psychedelic substances for recreational use or otherwise, and its business is oriented to the discovery of novel serotonergic therapeutics rather than the use of substances such as psilocybin or other psychedelics in new therapies. BMB does not have any direct or indirect involvement with illegal selling, production or distribution of substances in jurisdictions in which it operates.

Targeted Next Generation Therapies

Serotonin (5-HT) is the most prominent neurotransmitter in the brain and modulates many functions. Dysfunction of serotonin receptors, transporters, and associated neurocircuits is fundamental to many diseases including epilepsy, pain, and neuropsychiatry. Selective serotonin reuptake inhibitors are widely used in the treatment of depression with a market of 14.3 Billion.[1] Similarly, other serotoninergic drugs are widely used in the treatment of pain (Triptans in migraine),[2] Parkinson's disease related psychosis (Pimavanserin),[3] and seizures (Fintepla).[4] The off-label use of psilocybin extracts in depression and cluster headache, as well as encouraging clinical trial data with psilocybin and MDMA in depression and PTSD illustrate the potential for advancing serotoninergic therapies in neuropsychiatry and pain. The full potential of serotonin-based therapeutics has not been achieved due to the lack of drugs that are specific to certain serotonin receptor subtypes that are fundamental to disease pathology, without non-specific effects on other serotonin receptors in the body that are associated with cardiac toxicities and have resulted in previous drugs being withdrawn from the market.

[1] Research and Markets, "Global Antidepressants Market (2020 to 2030) - COVID-19 Implications and Growth" (21 April 2020), online: *Intrado GlobeNewswire* <https://www.globenewswire.com/news-release/2020/04/21/2019282/0/en/Global-Antidepressants-Market-2020-to-2030-COVID-19-Implications-and-Growth.html>.
[2] Samar Nicolas & Diala Nicolas, "Triptans" (26 May 2020), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/books/NBK554507/>.
[3] Cerner Multum, "Pimavanserin" (5 February 2020), online: *Drugs.com* <https://www.drugs.com/mtm/pimavanserin.html>.
[4] "Fintepla FDA Approval History", online: *Drugs.com* <https://www.drugs.com/history/fintepla.html>.

Key $5HT_2$ Receptor Targets



BMB has a portfolio of patented, selective serotonin ($5\text{-}HT_{2C}$ and $5\text{-}HT_{2C/A}$-receptor subtypes) agonists that were identified using high-throughput screening methods in combination with advanced molecular modeling techniques to interrogate the interaction between the drug and its targeted receptors to increase downstream signaling while avoiding off-target effects.

Bright Minds' Drug Pipeline

	Lead Indication (*Follow-on Indications*)	Stage
$5\text{-}HT_{2C}$ ***(Granted Patent)***	Dravet **(Seizures)** *Impulse control disorders (OCD, Binge Eating) Addiction,*	Late Pre Clinical
$5\text{-}HT_{2C/A}$ ***(Granted Patent)***	**Cluster Headache,** *Chemotherapy Induced Neuropathy, Trigeminal Neuralgia*	Early Pre Clinical
$5\text{-}HT_{2A}$ ***(2 provisional patents filed)***	**Depression,** *PTSD, Addiction*	Early Pre Clinical

Our portfolio of selective 5-HT receptor agonists face no competition from the non-selective 5-HT agonist psychedelic drug psilocybin. Our lead $5\text{-}HT_2$ subtype selective drug portfolio candidate is a "best in class" synthetic $5\text{-}HT_{2C}$ receptor agonist without psychedelic effects. Our $5\text{-}HT_{2A}$ and $5\text{-}HT_{2A/C}$ selective compounds are expected to possess desirable pharmacokinetic and pharmacodynamic effects and a wide effective dose range in the target populations, and could thus be used without the need for close supervision by psychotherapists in the clinic. BMB is partnered with the National Institutes of Health on the ETSP program for epilepsy and the PSPP program for pain.

Three Year History

On July 30, 2019, the Company completed a distribution of units consisting of one Common Share and one Common Share purchase warrant at purchase price of $0.02 per unit, for 10,199,000 units and gross aggregate proceeds of $203,980.

On August 7, 2019, the Company completed the acquisition of 100,000 common shares in the capital of its subsidiary, Psilocybinlabs Ltd. from Alex Vasilkevich in consideration of the issuance of 100,000 Common Shares in the capital of the Company granted to Mr. Vasilkevich at a deemed price of $0.02 per Common Share.

On May 26, 2020, the Company signed an agreement (the "**Roth Kozikowski Agreement**") to acquire intellectual property from the University of Illinois at Chicago referred to later in this Prospectus as the Roth Kozikowski Patent.

On September 30, 2020, the Company issued 1,559,847 Common Shares at an issue price of $0.50 per Common Share for gross aggregate proceeds of $779,923.50.

On November 2, 2020, the Company completed the Second Tranche of the Private Placement, pursuant to which 4,072,843 Common Shares were issued for gross proceeds of $2,036,421.50, as well as the Special Warrant Offering, pursuant to which 40,000 Special Warrants were issued for gross proceeds of $20,000.

On November 10, 2020, the Company consolidated its Common Shares on the basis of 2.5:1 to complete the Consolidation. Prior to the completion of the Consolidation there were 15,931,691 Common Shares issued and outstanding, and on completion of the Consolidation there were 6,372,679 Common Shares issued and outstanding.

On January 19, 2021, the Company rescinded the issuance of an aggregate of 5,750 Special Warrants initially issued pursuant to the Special Warrant Offering, and provided a full refund of the purchase price of such Special Warrants to the purchasers thereof. The Rescission was completed at the request of the BCSC after they conducted a compliance review of the Special Warrant Offering. The BCSC determined that the exemption from prospectus requirements the Company relied on with regard to certain purchasers was non-compliant, and the Company then took action to remedy the issuance of securities to any such purchasers.

Team Experience

BMB is well positioned to achieve success in its drug development plans. Two of its team members, Drs. Kozikowski and Shapiro, have extensive experience in hunting for novel drugs and advancing them to the clinic. For example, Dr. Kozikowski's research on the natural product Huperzine A for memory disorders led to a clinical trial of its effect on memory in Alzheimer's patients and to its eventual sales as a dietary supplement. Along the more traditional pharmaceutical development pathway, he invented a new family of glycogen synthase kinase (GSK-3) inhibitors that was intended initially for use in the treatment of bipolar disorder, but which was subsequently found to dramatically inhibit the growth of a variety of tumors including, brain, breast, and pancreatic tumors. Because of the high safety of these compounds, Actuate Therapeutics was founded to advance these GSK-3 inhibitors to Phase 2 clinical trials. While a Professor in the School of Pharmacy at the University of Illinois at Chicago, Dr. Kozikowski also invented the 5-HT_{2c} ligands that form the core technology of BMB. An extensive structure activity relationship ("**SAR**") was developed for these molecules that has established the scope of structural variations that can be made to best target the 5-HT_{2C} receptors.

Dr. Shapiro has a long history in leading central nervous system ("**CNS**") drug chemistry discovery originally in big pharma at Sandoz Pharmaceuticals in Basel, Switzerland and subsequently in numerous US based biopharmaceutical venture companies. At Sandoz he managed drug discovery in the Alzheimer's disease group from which numerous clinical candidates including the drug Exelon® was developed. Exelon became a successful drug marketed post-merger by Novartis for Alzheimer's Disease reaching global peak sales of $1.06 billion. Dr. Shapiro has subsequently led drug discovery and development efforts at numerous biopharmaceutical ventures. At the Fidelity backed neuroscience venture EnVivo Pharmaceuticals (subsequently Forum Pharmaceuticals), Dr. Shapiro co-invented and played a leading role in the discovery and advancement of a portfolio numerous CNS drug compounds that were advanced to late stage clinical trials in patients. Among these the alpha-7 nicotinic agonist drug encenicline (FRM6124) advanced to Phase 3 clinical trials in Alzheimer's disease and schizophrenia for cognitive enhancement.

Additional drug candidates which he co-invented and that advanced to clinical trials include the CNS brain penetrant pan-HDAC inhibitor drug FRM-334 for frontotemporal dementia (FTD), the PDE-10 inhibitor FRM-6308 for schizophrenia, and the gamma secretase modulator FRM-0962 for Alzheimer's disease. Most recently, Dr. Shapiro invented and led the discovery and development of new small molecule drug therapies of psychiatric diseases as Chief Scientific Officer of Rugen.

Dr. Revati Shreeniwas is a physician researcher with 17 years of experience in the pharmaceutical industry passionate about bringing novel therapeutics to patients with an unmet clinical need. She has served as an executive level clinical expert with operational knowledge in leading complex programs for a range of therapeutics (Phase 1-4 studies). She has worked on several drugs that have gone on to be approved and are commercially successful – Tracleer Lexiscan, Natrecor, Rytary, Esbriet, Sunosi and Talzenna. Revati has served in senior leadership roles in other privately held companies such as Neuraxon Pharmaceuticals (developing migraine drugs) and has also run a boutique clinical development consulting company providing start up companies with strategic drug development services to help achieve key milestones in a cost effective manner.

Professor John McCorvy at the Medical College of Wisconsin has done extensive research in the serotonin field. He has a keen understanding of the field of psychedelic medicines. Previously he worked with Dr. Bryan Roth at the University of North Carolina where he participated in the pharmacological testing of the NCEs created by Dr. Kozikowski's team at UIC. Working at the Medical College of Wisconsin, he has set up all the required pharmacological assays needed to test new compounds as 5-HT ligands, and BMB is working exclusively with Dr. McCorvy in carrying out the first stage of screening fundamental to selecting compounds for further advancement through the development pipeline.

Intellectual Property

The intellectual property holdings of the Company are comprised of the patents and patent applications set out below.

Patents and Patent Applications

Kozikowski-Roth Patents

The Company has exclusively licensed a family of patents based on PCT/US2011/023535, which is co-owned by the University of Illinois Chicago and the University of North Carolina. This family of licensed patents includes patents granted in Australia (AU Pat No 2011212930), Canada (CA Pat No 2788416), Europe (EU Pat No 2531485), Japan (JP Pat No 5810099), United States (US Pat No 8492591 and US Pat No 8754132). In addition, the Company has exclusively licensed a family of patents based on PCT/US2016/015019, which is solely owned by the University of Illinois Chicago. This family of licensed patents includes patents applied for or granted in China (CN Publication No 107810175), Europe (EU Publication No 3250549), Hong Kong SAR (HK Publication No 1251831), and the United States (US Pat No 10407381). The latest patent to issue is US Pat No 10,407,381 which will expire on January 27, 2036.

These patents were based on the past research completed by Dr. Alan Kozikowski and Dr. Bryan Roth that is documented in United States publication number US20090203750A1 "5-HT2C Receptor Agonists as Anorectic Agents". The invention related to the discovery of novel selective 5-HT2C and 5-HT2C/A agonists that could be used for the treatment of multiple neurological conditions.

Provisional Patents

Based upon molecular modeling studies in concert with data available from published research articles, the BMB chemistry team designed novel analogs of psilocin that they believed would retain 5-HT_{2A} activity while having no propensity to activate the 5-HT_{2B} receptors. These NCEs were thus anticipated to retain the brain re-booting activity of psilocin while showing no propensity to cause valvulopathy issues. Two provisional patent applications have been filed that cover psilocin analogs that have been decorated with functionality appropriate to achieving the goals of maintaining the desired 5-HT_{2A} activity while being devoid of 5-HT_{2B} activity. As the company has now synthesized and tested some of these designed analogs, and found that they possess the desired pharmacological profiles, it is anticipated that the provisional patent applications will be refiled as regular patent applications in Q2 of 2021.

The particulars of the two United States provisional applications are as follows:

Patent Application Number	Region	Title	Inventors	Applicant	Status as of October 8, 2020
62/988,926	USA	Indole Compounds and Methods of Preparation Thereof	Alan KOZIKOWSKI; Gideon SHAPIRO; Werner TUECKMANTEL	Bright Minds Biosciences Inc.	Good Standing
63/017,627	USA	Heterocyclic Compounds and Methods of Preparation Thereof	Werner TUECKMANTEL; Alan KOZIKOWSKI	Bright Minds Biosciences Inc.	Good Standing

Trademarks

BMB has applied to register the following trademark applications:

Trademark	Country	Application Number
BRIGHT MINDS	Canada	2,016,213

Web Domains

BMB has use and control over the following domain names: brightmindsbio.com

Employees

BMB has assembled an experienced team of biotech executives and finance professionals to manage its research and development and corporate growth. The Company had five executives, Ian McDonald (Chief Executive Officer) and Ryan Cheung (Chief Financial Officer), Dr. Alan Kozikowski (Chief Science Officer), Dr. Gideon Shapiro (VP Discovery) and Dr. Revati Shreeniwas (Chief Medical Officer) all of whom are engaged pursuant to consulting services agreements.

Management of the Company is supported by Scientific Advisors including but not limited to:

- BMB has a contractual research services agreement with John McCorvy Ph.D., Associate Professor, Medical College of Wisconsin. Expert in Biased Ligand Recognition Structure-Function Relationships. Designer of novel ligands or probes with a new mechanism of action. Domain expertise in profiling of Psychoactive Drugs for Biased Signaling at Aminergic GPCRs and in signalling profiles of aminergic (serotonin, dopamine, and adrenergic) GPCRs.

- Peter Hendricks Ph.D. Associate Professor, University of Alabama at Birmingham. Hendricks is currently researching the use of psilocybin to see if it will help individuals addicted to cocaine stop using the harmful drug. He theorizes that psilocybin will work from the angles: biochemical, psychological and transcendental/ spiritual. Hendricks' research also focuses on novel and more effective treatments for substance abuse dependence, with specific areas of focus on tobacco, cocaine and polysubstance abuse in vulnerable populations.

- Narayan R. Kissoon MD. Cluster Headache and Pain management specialist at the Mayo Clinic including; cluster headache, CSF leak, glossopharyngeal neuralgia, lumbar pain, migraine, neck pain, neuropathic pain syndrome, occipital neuralgia, osteoarthritis, postherpetic neuralgia, radiculopathy, spondylosis, and trigeminal neuralgia

- Jianmin Duan Ph.D. More than 25 years of experience in pharmaceutical R&D. Held various senior R&D roles at the world's largest private pharmaceutical company, Boehringer Ingelheim. Specialist in identifying the critical parameters in drug absorption, metabolism, pharmacokinetics, pharmacology, toxicology (ADMEPK/PD/Tox) for effective optimization of drug programs. Highly experienced[5] in interaction with regulatory agencies, particularly related to drug safety/toxicity, clinical trial design, drug-drug interactions. Dr. Duan has more than 50 peer-reviewed publications.

- Guilio Vistoli Ph.D. Professor, Medicinal Chemistry, University of Milan. Expert in computational chemistry. After his PhD studies, he became Assistant Professor in medicinal chemistry at University of Milan in 1999, and was promoted to Associate Professor in 2010 and Full Professor in 2019. His expertise involves the computational approaches as applied to pharmaceutical sciences in their broadest sense ranging from homology modelling and virtual screening to ADME predictions or drug delivery optimization. He is co-author of more than 170 scientific publications.[6]

- BMB has a contractual research services agreement with Dr. Kathryn A. Cunningham, Ph.D. Professor Chauncey Leake Distinguished Professor of Pharmacology, Vice Chairman, Department of Pharmacology and Toxicology, Director, Center for Addiction Research. Dr. Cunningham and her team have made multiple contributions[7] to our understanding of the neuropsychopharmacology of abused drugs and psychotherapeutics, the underlying neurobiology of behavior, and new target and drug discovery in neuropsychiatric conditions. With established strengths in pharmacology and neuroscience, Dr. Cunningham focuses on advancing the biological understanding of disorders with an addictive dimensionality (e.g., drug addiction, binge eating disorder, obesity) and developing effective and safe therapeutics to maximize human function. Dr. Cunningham's research has been funded continuously by the National Institutes of Health ("**NIH**") for 26 years, has led to three patents for new chemical entities, 118 peer-reviewed publications in high-quality journals and 29 reviews, chapters and commentaries.

- Peter R. Kowey, MD. Resident Faculty, Professor. Dr. Kowey is Professor of Medicine and Clinical Pharmacology at Jefferson Medical College; Chief of the Division of Cardiovascular Diseases at Main Line Health System; and The William Wikoff Smith Chair in Cardiovascular Research at Lankenau Hospital and Medical Research Center. Previously, he was a Professor at the Medical College of Pennsylvania. He is an internationally recognized expert[8] in heart rhythm disorders and his research and industry collaborations have led to the development of many antiarrhythmic drugs and anti-tachycardia devices. He has been the recipient of over 150 grants, has authored or co-authored over 400 papers and scientific reports, co-edited three textbooks on cardiac arrhythmia, and sits on the editorial boards of the Heart Rhythm Journal and the Journal of Cardiovascular Electrophysiology. He has provided consultation to over 60 international pharmaceutical companies and participated in a large number of pivotal clinical trials.

For additional information regarding the background of the Company's executives, see "*Directors and Executive Officers*".

Employment, Consulting and Management Agreements

The Company has entered into the following consulting agreement with the following executives on the following terms:

i) Consulting agreement between the Company and Revati Inc., a C Corporation wholly-owned by Dr. Revati Shreeniwas, engaging the services of Dr. Revati Shreeniwas as CMO of the Company in consideration for

[5] https://pubmed.ncbi.nlm.nih.gov/?term=Jianmin+Duan+%5BAuthor%5D
[6] https://pubmed.ncbi.nlm.nih.gov/?term=giulio+vistoli+%5BAuthor%5D
[7] https://pubmed.ncbi.nlm.nih.gov/?term=Kathryn+Cunningham+%5BAuthor%5D
[8] https://pubmed.ncbi.nlm.nih.gov/?term=Peter+Kowey%5BAuthor%5D

the grant to Dr. Revati Shreeniwas of Options and RSUs (on a pre-Consolidation basis) for the first year of the engagement. The agreement contains standard non-disclosure provisions and automatically renews on an annual basis unless terminated by either party;

ii) Independent Contractor Agreement dated October 29, 2020 between the Company and Dr. Alan Kozikowski engaging the services of Dr. Kozikowski as Chief Science Officer of the Company, with compensation to be determined by the Board of Directors of the Company. The agreement contains standard non-disclosure, non-competition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party; and

iii) Independent Contractor Agreement dated November 17, 2020 between the Company and Dr. Gideon Shapiro engaging the services of Dr. Shapiro as Vice President (Discovery) of the Company, with compensation to be determined by the Board of Directors of the Company. The agreement contains standard non-disclosure, non-competition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party.

The Company has entered into the following consulting agreements with the following consultants on the following terms:

i) Scientific Advisory Board Agreement dated June 1, 2020 between the Company and Narayan R. Kissoon, MD, engaging the services of Narayan R. Kissoon as a member of the Company's Scientific Advisory Board and as a consultant to the Company;

ii) Scientific Advisory Board Agreement dated July 14, 2020 between the Company and Peter Hendricks, engaging Peter Hendricks as a member of the Company's Scientific Advisory Board and as a consultant to the Company;

iii) Consulting agreement dated August 15, 2020 between the Company and Dr. Krista Lanctot, engaging the public relations services of Dr. Lanctot as a consultant;

iv) Consulting agreement dated August 15, 2020 between the Company and Werner Tueckmantel, engaging the public relations services of Mr. Tueckmantel as a consultant;

v) Consulting agreement dated August 15, 2020 between the Company and John McCorvy, engaging the public relations services of Mr. McCorvy as a consultant;

vi) Consulting agreement dated August 15, 2020 between the Company and Peter Kowey, MD, engaging the public relations services of Dr. Kowey as a consultant;

vii) Consulting agreement dated August 15, 2020 between the Company and Arina Zhukova engaging the services of Ms. Zhukova as a consultant;

viii) Consulting agreement dated August 15, 2020 between the Company and Laurentiu Nicolae, engaging the services of Mr. Nicolae as a consultant; and

ix) Consulting agreement dated October 9, 2020 between the Company and Dorothy G. Flood, Ph.D., principal of D Flood Consulting LLC, engaging the services of Ms. Flood as a consultant.

Facilities

The Company's registered office is located in Vancouver, Canada. The nature of the space is immaterial to the Company's operations as physical operating activities related to research and development programs are primarily outsourced to trusted contract research organizations and research institutions, including but not limited to the University of Texas and the Medical College of Wisconsin.

MARKET AND REGULATORY OVERVIEW

Our Target Markets

Our drug pipeline targets therapeutic areas of CNS, Pain, Neuropsychiatry. Within these therapeutic areas, our lead indications are: CNS-pediatric pharmacoresistant epilepsy (Dravet Syndrome - orphan disease), Pain- Cluster headache, migraine, fibromyalgia, chemotherapy induced neuropathy; Neuropsychiatry-Major Depressive Disorder, Impulse Control Disorders (including substance use, obsessive compulsive disorder, binge eating disorders). Each of these indications represents a market opportunity exceeding US$1 billion.

Pharmacoresistant Epilepsy and Dravet Syndrome

The National Institute of Neurological Disorders and Stroke ("**NINDS**") defines epilepsies as a spectrum of brain disorders ranging from severe, life-threatening and disabling, to ones that are much more benign.[9] This chronic neurological disorder has a patient population of over 50 million people worldwide. The study conducted by Market Research Future reveals that the global Epilepsy Market is anticipated to scale a valuation of $9.5 billion towards the end of 2023.[10] Second generation drugs include Lyrica, Keppra, Banzel, and others. Lyrica has been the blockbuster drug for epilepsy treatment and has the maximum share in the market.[11] Third generation drugs such as Vimpat, Briviact, and others are also penetrating the market. More than 60% of patients have pharmacoresistant epilepsy (seizures despite treatment with two or more drugs).[12] There is a crucial need for better and safer anti-epileptic drugs.

GW Pharmaceuticals, a British biopharmaceutical company, had sales of $33.5M in its first full quarter for its cannabis-based seizure drug Epidiolex, and exceeded analyst expectations.[13] Epidiolex is approved for several pharmacoresistant epilepsy conditions including Dravet Syndrome, Lennox Gastaut Syndrome and Tuberous sclerosis.[14]

Dravet syndrome is a rare, catastrophic, lifelong form of epilepsy that begins in the first year of life with frequent and/or prolonged seizures. Previously known as Severe Myoclonic Epilepsy of Infancy ("SMEI"), it affects 1:15,700 individuals. According to DelveInsight, the total incident population of Dravet Syndrome in seven major markets was 30,820 in 2017.[15] Current treatment options are limited, and the constant care required for someone suffering from Dravet syndrome can severely impact the patient's and the family's quality of life. Patients with Dravet syndrome face a 15-20% mortality rate due to SUDEP (Sudden Unexpected Death in Epilepsy), prolonged seizures, seizure-related accidents such as drowning, and infections.

Recent approvals of novel drugs for Dravet Syndrome include the following:

In 2018, two novel medications were granted US FDA approval for the treatment of Dravet syndrome: Epidiolex ™ (cannabidiol (CBD) extract manufactured by GW Pharmaceuticals), and Diacomit™[16] (stiripentol; manufactured by Biocodex).

In 2020, Fintepla™ (manufactured by Zogenix), received FDA approval for the treatment of Dravet syndrome. Fintepla is a non selective 5-HT receptor agonist available with enrollment in a REMS program to monitor cardiovascular safety due to safety concerns of 5-HT_{2B} agonist activity. Better and safer serotonin agonists may provide benefit in this population and in other pharmacoresistant epilepsies.[17]

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[9] "Epilepsy Information Page" (22 November 2019), online: *National Institute of Neurological Disorders and Stroke* <https://www.ninds.nih.gov/Disorders/All-Disorders/Epilepsy-Information-Page>.

[10] "Global Epilepsy Market Research Report" (April 2019), online: *Market Research Future* <https://www.marketresearchfuture.com/reports/epilepsy-market-7730>.

[11] Paul LaPenna & Laura M Tormoehlen, "The Pharmacology and Toxicology of Third-Generation Anticonvulsant Drugs" (16 August 2017), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5711757//>.

[12] Arun Kumar Sharma, Ekta Rani, Abdul Waheed and Satyendra K. Rajput, "Pharmacoresistant Epilepsy" (30 June 2015), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4494988/>.

[13] Dina Spencer, "GW Pharma's CBD Drug Profits Soar in 2nd Quarter 2019" (26 August 2019), online: *PharmaBoardroom* <https://pharmaboardroom.com/articles/gw-pharmas-cbd-drug-profits-soar-in-2nd-quarter-2019/>.

[14] "FDA Approves New Indication for Drug Containing an Active Ingredient Derived from Cannabis to Treat Seizures in Rare Genetic Disease" (31 July 2020), online: *FDA* <https://www.fda.gov/news-events/press-announcements/fda-approves-new-indication-drug-containing-active-ingredient-derived-cannabis-treat-seizures-rare>.

[15] "Dravet Syndrome- Market Insight, Epidemiology and Market Forecast -2030" (July 2020), online: *DelveInsight* <https://www.delveinsight.com/report-store/dravet-syndrome-market>.

[16] "Diacomit: Highlights of Prescribing Information" (August 2018), online: *FDA* <https://www.accessdata.fda.gov/drugsatfda_docs/label/2018/206709s000,207223s000lbl.pdf>.

[17] "Dravet Syndrome" (6 July 2020), online: *Genetic and Rare Diseases Information Center* < https://rarediseases.info.nih.gov/diseases/10430/dravet-syndrome>.

According to Research and Markets, the Dravet syndrome market was evaluated at $113.56M in 2018.[18]

Major depressive disorder

The World Health Organization (WHO) reports that about 264 million people are affected by depression worldwide.[19] According to Harvard Health Publishing the most helpful treatment is a combination of psychotherapy and medication.[20] Selective serotonin reuptake inhibitors (SSRIs) are commonly prescribed as a first line treatment. SSRIs are the first-line treatment for Major Depressive Disorder ("**MDD**"), but are only fully effective in 30% of patients and require weeks before improvement may be seen.[21] These include fluoxetine (Prozac), sertraline (Zoloft), paroxetine (Paxil), citalopram (Celexa) and escitalopram (Lexapro). SSRIs have several adverse effects including impotence, weight gain, sleep disturbances.

Other approved antidepressants include bupropion (Wellbutrin), venlafaxine (Effexor), mirtazapine (Remeron) and duloxetine (Cymbalta). Older classes of antidepressants, tricyclic antidepressants and monoamine oxidase inhibitors, are still in use, typically as second- and third-line treatments.

There is a high unmet need for better more rapidly acting antidepressants. Brandessence valued the antidepressant drug market at $13.69 Billion in 2018 and expects it to reach $15.88 Billion by 2025 with the compound annual growth rate (CAGR) of 2.15% over the forecast period. The global antidepressants market is expected to grow from $14.3 billion in 2019 to about $28.6 billion in 2020, as mental health issues are expected to surge due to the effects of the Covid-19 pandemic making an impact on the global economy. The market is expected to stabilize and reach $19 billion at a CAGR of 7.4% through 2023.[22][23]

Cluster headache

According to the American Migraine Foundation, "Cluster headache is a primary headache disorder and the most common of the group of headache disorders called trigeminal autonomic cephalalgias".[24] Cluster cycles can last for weeks or months and are usually separated by remission periods, or periods of headache freedom, which usually last months or years. People who experience chronic cluster headache have no remission periods, or the remissions last less than a month at a time. The age of onset for cluster headache is most often between 20 and 40 and is more common in men than women. Pooled data show a lifetime prevalence of 124 per 100,000 and a 1-year prevalence of 53 per 100,000 suggesting that about one in 1000 people suffers from cluster headache, the prevalence being independent of the region of the population study.[25]

The only FDA-approved treatment options for acute Cluster headache include NSAIDs, sumatriptan and dihydroergotamine, all of which are generic drugs with limited efficacy. Emgality™ (galcanezumab; manufactured by Eli Lilly and Co) is approved for the prevention of episodic CH.[26] Psilocybin extracts from mushrooms are used

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[18] Research and Markets, "Global Dravet Syndrome Market Report 2019" (25 April 2019), online: *Cision PR Newswire* <https://www.prnewswire.com/news-releases/global-dravet-syndrome-market-report-2019-113-56-mn-market-insights-epidemiology-and-forecasts-2017-2028-featuring-biocodex--gw-pharmaceuticals-300838316.html>.

[19] "Depression" (30 January 2020), online: *World Health Organization* <https://www.who.int/news-room/fact-sheets/detail/depression>.

[20] "Medication or therapy for depression? Or both?" online: *Harvard Health Publishing* <https://www.health.harvard.edu/staying-healthy/medication-or-therapy-for-depression-or-both>.

[21] Bradley N Gaynes, A John Rush, Madhukar H Trivedi, Stephen R Wisniewski, Donald Spencer & Maurizio Fava, "The STAR*D Study: Treating Depression in the Real World" (January 2008), online: *PubMed* <https://pubmed.ncbi.nlm.nih.gov/18236731/>.

[22] "Antidepressant Drugs Market Size, Share, Current trends, opportunities, Competitive Analysis and Forecast to 2019 – 2025" (29 August 2019), online: *Medgadget* <https://www.medgadget.com/2019/08/antidepressant-drugs-market-size-share-current-trends-opportunities-competitive-analysis-and-forecast-to-2019-2025.html>.

[23] Research and Markets, "Global Antidepressants Market (2020 to 2030) - COVID-19 Implications and Growth" (21 April 2020), online: *Intrado GlobeNewswire* <https://www.globenewswire.com/news-release/2020/04/21/2019282/0/en/Global-Antidepressants-Market-2020-to-2030-COVID-19-Implications-and-Growth.html>.

[24] "Understanding Cluster Headache" (18 April 2019), online: *American Migraine Foundation* <https://americanmigrainefoundation.org/resource-library/cluster-headache-2/>.

[25] Shivang Joshi, Paul Rizzoli & Elizabeth Loder, "The comorbidity burden of patients with cluster headache: a population-based study" (24 July 2017), online: *BMC* <https://thejournalofheadacheandpain.biomedcentral.com/articles/10.1186/s10194-017-0785-3/>.

[26] "FDA approves first treatment for episodic cluster headache that reduces the frequency of attacks" (4 June 2019), online: *FDA* <https://www.fda.gov/news-events/press-announcements/fda-approves-first-treatment-episodic-cluster-headache-reduces-frequency-attacks>.

off-label with reports of significant pain relief in patients with cluster headache.[27] Better and safer prescription medications are needed for this population.

The potential US market for cluster headache is up to $4.5 Billion.

Binge eating disorder

Binge eating disorder ("**BED**") is recognized as a mental illness. According to the recent Diagnostic and Statistical Manual of Mental Disorders (DSM-5), BED is characterized by "recurring episodes of eating significantly more food in a short period of time than most people would eat under similar circumstances, with episodes marked by feelings of lack of control. This disorder is associated with marked distress and occurs, on average, at least once a week over three months" (American Psychiatric Association).[28] It also leads to feeling disgusted with oneself, depressed, or very guilty after overeating. BED is potentially a life-threatening disorder and can lead to obesity, depression, anxiety and related medical conditions (heart disease, type 2 diabetes, etc).

GlobalData epidemiologists have found the 12-month diagnosed prevalent cases of BED across the seven major markets (7MM) to be approximately 63% in women, compared to 37% in men.[29] According to the National Comorbidity Survey Replication, in the United States, binge eating disorder is most common in adults and affects approximately 2.8 million U.S. adults.[30]

BED can be treated with medication and counseling. Vyvanse® (lisdexamfetamine dimesylate; manufactured by Takeda Pharmaceuticals) is the first and only treatment for moderate to severe BED in adults.[31] Orexin-1 antagonists for use in the treatment of BED and substance use disorder ("**SUD**") are in development at Chronos Therapeutics. Despite positive data from Phase III trials, development of dasotraline by Sunovion Pharmaceuticals Inc. for the treatment of BED in adults has been terminated.[32] A study of Qsymia™ (phentermine and topiramate extended-release), marketed by Vivus demonstrated a reduction in binge eating episodes and weight, but was accompanied by adverse effects of insomnia and dry mouth in a majority of patients.[33] According to GlobalData healthcare analyst, BED management with drugs is currently dominated by topiramate, based on Phase III clinical trial data and Vyvanse.[34] Drawbacks of Vyvanse include its stimulant action, high abuse potential, insomnia, and severe dry mouth.[35] Better targeted therapeutics are needed for the treatment of BED. The 5-HT_{2C} agonist activity is expected to reduce the impulsive eating in BED. Lorcaserin, the only approved 5-HT_{2C} agonist was not evaluated in BED patients, and the drug has been withdrawn from the market due to an increased cancer risk and modest efficacy for weight loss in obesity associated with prolonged use(the approved indication for Lorcaserin).[36]

Global Sales forecast in major markets is expected to rise from $138.2M in 2017 to $417.1M in 2027.[37]

Opioid use disorder (OUD)

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[27] Martin Andersson, Mari Persson, and Anette Kjellgren, "Psychoactive substances as a last resort—a qualitative study of self-treatment of migraine and cluster headaches" (5 September 2017), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5584001/>.

[28] Berkman ND, Brownley KA, Peat CM, et al, "Management and Outcomes of Binge-Eating Disorder" (December 2015), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/books/NBK338301/table/introduction.t1/>.

[29] "Binge Eating Disorder (BED): Epidemiology Forecast to 2027" (June 2018), online: *GlobalData* <https://store.globaldata.com/report/gdhcer187-18--binge-eating-disorder-bed-epidemiology-forecast-to-2027/>.

[30] "Eating Disorders" (November 2017), online: *National Institute of Mental Health Information Resource Center* <https://www.nimh.nih.gov/health/statistics/eating-disorders.shtml#part_155060>.

[31] "FDA Approved Medicines for the Treatment of Binge Eating Disorder" (13 February 2020), online: *Eating Disorder Hope* <https://www.eatingdisorderhope.com/blog/treating-binge-eating-disorder-fda-approved-medicines>.

[32] Amirah Al Idrus, "Sunovion ditches once-rejected ADHD, binge eating program" (13 May 2020), online: *Fierce Biotech* <https://www.fiercebiotech.com/biotech/sunovion-ditches-once-rejected-adhd-binge-eating-program>.

[33] VIVUS, Inc, "New Clinical Data Demonstrate VIVUS' Qsymia® is Effective at Reducing Binge Eating in Patients with Binge-Eating Disorder or Bulimia Nervosa" (20 November 2019), online: *BioSpace* <https://www.biospace.com/article/releases/new-clinical-data-demonstrate-vivus-qsymia-is-effective-at-reducing-binge-eating-in-patients-with-binge-eating-disorder-or-bulimia-nervosa/>.

[34] "Binge Eating Disorder (BED): Epidemiology Forecast to 2027" (June 2018), online: *GlobalData* <https://store.globaldata.com/report/gdhcer187-18--binge-eating-disorder-bed-epidemiology-forecast-to-2027/>.

[35] "Vyvanse Side Effects" (23 January 2020), online: *Drugs.com* <https://www.drugs.com/sfx/vyvanse-side-effects.html>.

[36] "FDA requests the withdrawal of the weight-loss drug Belviq, Belviq XR (lorcaserin) from the market" (13 February 2020), online: *FDA* <https://www.fda.gov/drugs/drug-safety-and-availability/fda-requests-withdrawal-weight-loss-drug-belviq-belviq-xr-lorcaserin-market>.

[37] "Increasing awareness of Binge Eating Disorder will drive significant market growth, says GlobalData" (5 July 2018), online: *Pharmaceutical Technology* <https://www.pharmaceutical-technology.com/research-reports/binge-eating-disorder-market-growth/>.

The U.S. Center for Disease Control and Prevention ("**CDC**") stated that drug overdoses claimed the lives of nearly 64,000 Americans in 2016. Nearly two-thirds of these deaths (66%) involved the prescription of an illicit opioid.[38] As per NIH data, roughly 3 million Americans have OUD and over half a million US citizens are dependent on heroin. The NIH also reports that in 2015 nearly 92 million Americans used prescription opioids.[39]

Methadone is the most effective treatment for narcotic addiction. Drugs like Buprenorphine are used for opioid withdrawal management. In February 2020, the Irish biopharmaceutical company Alkermes announced that its VIVITROL (naltrexone for extended-release injectable suspension) was cleared by the FDA. The drug has been designed to prevent relapse to dependence on opioids once the detoxification process has been completed.[40]

The opioid abuse treatment market had a market value of $1.8 billion in 2018 and this is projected to reach $4.5 billion by 2026 according to Global Newswire. GlobalData's report identified that a key development strategy seen in the early stage OUD pipeline is the development of drugs with novel mechanisms of action that do not target opioid receptors.[41] The FDA has also declared that the advancement of efforts to resolve the abuse and misuse of opioid drugs is one of its highest priorities, and along with the NIH, they are advocating the development of improved treatment alternatives.[42]

Competition

The biotechnology and biopharmaceutical industries, and the neurological subsector, are characterized by rapid evolution of technologies, fierce competition, and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. While we believe that our rational approach to drug design, along with our scientific expertise in the field of serotonergic drugs and CNS function, provide us with competitive advantages, a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research departments, and public and private research institutions, are actively developing potentially competitive products and technologies. Our competitors generally fall within the following categories:

Antidepressants and anxiolytics: Alkermes Plc, Allergan Plc, Bristol Myers Squibb Co., Eli Lilly and Co., GlaxoSmithKline Plc, H. Lundbeck, Eli Lilly and Co., Merck & Co. Inc., Pfizer Inc., and Takeda Pharmaceutical Co. Ltd Teva Pharmaceutical Industries Ltd., AstraZeneca, Johnson & Johnson, and others.

Treatment of cluster headache. Amgen, Novartis, Teva, Eli Lilly, Lundbeck, Allergan, Generic Drugs.

Binge eating disorder: Takeda Pharmaceutical Company Limited, Sunovion Pharmaceuticals Inc., H. Lundbeck A/S, Orexigen Therapeutics, Inc., Novo Nordisk A/S, Eli Lilly and Company, Jazz Pharmaceuticals Inc., and VIVUS Inc.

Epilepsy: LivaNova PLC, Johnson & Johnson Services Inc., Eisai Co. Ltd., GlaxoSmithKline PLC, Pfizer Inc., UCB SA, Medtronic PLC, NeuroPace Inc., Novartis AG, GW Pharmaceuticals PLC, and Abbott Laboratories, Zogenix.

Opioid use disorder: Merck & Co., Inc, Teva Pharmaceutical Industries Ltd, Pfizer Inc, Novartis, Sanofi N.V, Johnson & Johnson Services, F. Hoffmann-La Roche Ltd, Bayer AG, Alkermes.

Regulatory Environment

Drug products must be approved by the appropriate governing body before it can be sold in that country or area. The FDA approves products for the United States market and Health Canada approves products for the Canadian

[38] "U.S. drug overdose deaths continue to rise; increase fueled by synthetic opioids" (29 March 2018), online: *CDC* <https://www.cdc.gov/media/releases/2018/p0329-drug-overdose-deaths.html>.

[39] Beth Han, MD, PhD, MPH, Wilson M. Compton, MD, MPE, Carlos Blanco, MD, PhD et al, "Prescription Opioid Use, Misuse, and Use Disorders in U.S. Adults: 2015 National Survey on Drug Use and Health" (5 September 2017), online: *ACP Journals* <https://www.acpjournals.org/doi/10.7326/M17-0865>.

[40] Fortune Business Insights, "Opioid Use Disorder Market to Soar at 10.8% CAGR till 2026; Increasing Research in Opioids by Pharmaceuticals to Aid Market Expansion: Fortune Business Insights™" (24 April 2020), online: *Intrado GlobeNewswire* <https://www.globenewswire.com/news-release/2020/04/24/2021849/0/en/Opioid-Use-Disorder-Market-to-Soar-at-10-8-CAGR-till-2026-Increasing-Research-in-Opioids-by-Pharmaceuticals-to-Aid-Market-Expansion-Fortune-Business-Insights.html>.

[41] "Global opioid use disorder market to reach $3.7bn by 2028 driven by buprenorphine reformulations" (23 September 2020), online: *GlobalData* <https://www.globaldata.com/global-opioid-use-disorder-market-reach-3-7bn-2028-driven-buprenorphine-reformulations//>.

[42] "Opioid Medications" (4 August 2020), online: *FDA* <https://www.fda.gov/drugs/information-drug-class/opioid-medications>.

market. The European Medicines Agency approves products for the European Union. While the process by which products are approved by the FDA and Health Canada is very similar, each regulatory body has its own unique requirements for a product. In both cases, the development of a product through to approval can be a lengthy process and, in some cases, can take over 10 years. While early studies conducted in one jurisdiction will usually be accepted in the other, further and somewhat modified studies may be required to have a product approved in another jurisdiction.

United States Government Regulation

In the United States, the FDA regulates drugs under the FDCA, and its implementing regulations, and biologics under the FDCA and the Public Health Service Act, and its implementing regulations. FDA approval is required before any new unapproved drug or biologic or dosage form, including a new use of a previously approved drug, can be marketed in the United States. In some cases, changes to aspects of an approved drug product also require pre-approval prior to implementation of these changes. Drugs and biologics are also subject to other federal, state, and local statutes and regulations. If Bright Minds fails to comply with applicable FDA or other requirements at any time during the product development process, clinical testing, the approval process or after approval, Bright Minds may become subject to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, civil monetary penalties or criminal prosecution. Any FDA enforcement action could have a material adverse effect on Bright Minds.

The process required by the FDA before drug products may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests and preclinical animal studies, some performed in accordance with the GLP regulations;
- submission to the FDA of an Investigational New Drug ("**IND**") Application, which must be reviewed by the FDA and become active before human clinical trials may begin and must be updated annually;
- approval by an independent review board ("**IRB**") or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials conducted under Good Clinical Practices ("**GCP**") to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a New Drug Application ("**NDA**") or Biologics License Application ("**BLA**") after completion of all pivotal clinical trials;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;
- potential review of the product application by an FDA advisory committee, where appropriate and if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product is produced to assess compliance with current GMP ("**cGMP**");
- a potential FDA audit of the preclinical research and clinical trial sites that generated the data in support of the NDA or BLA; and
- FDA review and approval of an NDA or BLA prior to any commercial marketing or sale of the product in the United States.

The preclinical research, clinical testing and approval process require substantial time, effort, and financial resources, and BMB cannot be certain that any approvals for the Company's product candidates will be granted on a timely basis, if at all. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans in clinical trials. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human clinical trials. The IND also includes results of animal studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational new drug.

An IND must become effective before human clinical trials may begin in the US. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions

related to the proposed clinical trials. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical trials can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence. As drug product programs continue in development, clinical trial protocols, additional preclinical testing results, and manufacturing information is submitted with the IND to facilitate discussions with the FDA and approval of additional clinical trials.

Clinical Trials

Clinical trials involve the administration of the IND to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety, and the efficacy criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB or ethics committee, before the trials may be initiated, and the IRB or ethics committee must monitor the trial until completed. All subjects must provide informed consent prior to participating in the trial. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.
The clinical investigation of a drug is generally divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- **Phase I.** The drug is initially introduced into healthy human subjects or, in some cases, patients with the target disease or condition. These studies are designed to evaluate the safety, tolerance, metabolism, pharmacokinetic and pharmacologic actions of the investigational new drug in humans, and the side effects associated with increasing doses.
- **Phase II.** The drug is administered to a limited patient population to evaluate safety and optimal dose levels for safety and efficacy, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.
- **Phase III.** The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate sufficient data to statistically evaluate dose levels, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the IND product, and to provide an adequate basis for physician labeling.
- **Phase IV.** In some cases, the FDA may conditionally approve an NDA or BLA for a drug product with the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase IV clinical trials.

Clinical trial sponsors must also report to the FDA, within certain timeframes: (i) serious and unexpected adverse reactions, (ii) any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or (iii) any findings from other studies or animal testing that suggest a significant risk in humans exposed to the product candidate. The FDA, the IRB, the ethics committee or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial.

The clinical trial process can take years to complete, and there can be no assurance that the data collected will support FDA approval or licensing of the product. Results from one trial are not necessarily predictive of results from later trials. The Company may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Submission of an NDA or BLA to the FDA

Assuming successful completion of all required preclinical studies and clinical testing in accordance with all applicable regulatory requirements, detailed IND product information is submitted to the FDA in 34 the form of an NDA or BLA requesting approval to market the product for one or more indications. Under federal law, the submission

of most NDAs and BLAs is subject to an application user fee. Applications for Oppositional Defiant Disorder ("**ODD**") products are exempted from the NDA and BLA application user fee, unless the application includes an indication for other than a rare disease or condition, and may be exempted from product and establishment user fees under certain conditions. An NDA or BLA must include all relevant data available from pertinent preclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data comes from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, and may also come from several alternative sources, including clinical trials initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational new drug product to the satisfaction of the FDA.

Once an NDA or BLA has been submitted, the FDA's goal is to review the application within ten months after it accepts the application for filing, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA accepts the application for filing. The review process is often significantly extended by the FDA's requests for additional information or clarification. Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP and related regulations.

The FDA is required to refer an NDA or BLA for a novel drug (in which no active ingredient has been approved in any other application) to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and the conditions thereof. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

The FDA's Decision on an NDA or BLA

After the FDA evaluates the NDA or BLA and conducts inspections of manufacturing facilities where the product will be produced, the FDA will issue either an approval letter or a complete response letter ("Complete Response Letter"). An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. To satisfy deficiencies identified in a Complete Response Letter, additional clinical data and/or an additional Phase III clinical trial(s), and/or other significant, expensive and time-consuming requirements related to clinical trials, preclinical studies or manufacturing may be required for the drug product.

Even if such additional information is submitted, the FDA may ultimately decide that the NDA or BLA does not satisfy the criteria for approval. The FDA could also approve the NDA or BLA with a risk evaluation and mitigation strategy, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA may also conditionally approve a drug product subject to, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct one or more post-market studies or clinical trials. Such post-market testing may include Phase IV clinical trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. New government requirements, including those resulting from new legislation, may be established during the review process, or the FDA's policies may change, which could delay or prevent regulatory approval of the Company's products under development.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information of the Company

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements of the Company for the period from incorporation to September 30, 2019 and for the year

ended September 30, 2020 (audited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Exhibit "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

	As at and for the year ended September 30, 2020 (audited) ($)	As at and for the period ended September 30, 2019 (audited) ($)
Total Assets	880,216	81,991
Total Liabilities	150,923	36,708
Total Equity	729,293	45,283
Loss and Comprehensive Loss for the Period	(480,377)	(78,717)

Consolidated Statement of Comprehensive Loss Data

	For the year ended September 30, 2020 ($)
Expenses	(480,377)
Interest income	Nil
Foreign exchange loss	Nil
Net loss and comprehensive loss for the period	(480,377)

Management's Discussion and Analysis

The MD&A of the Company for (i) the period from incorporation until September 30, 2019, and (ii) the year ended September 30, 2020, is attached to this Prospectus at Exhibit "A".

The MD&A of the Company should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus. Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See "*Forward-Looking Statements*" and "*Risk Factors*".

USE OF AVAILABLE FUNDS

Proceeds

No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. There is no guarantee the Company will ever become profitable. The nature of the Company's business is as a research and development Company in the pharmaceutical industry requires focused on novel therapies, and as a result the Company has negative cash flow from its operating activities and currently generates no revenue from its activities. The Company anticipates that it will continue to have negative cash flow until such time as commercial production is achieved on one or more of its drug candidates. The Company has to this

date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

Available Funds

The Company, after the Rescission, received proceeds of $20,000 from the Special Warrant Offering, as there were no finders' fees payable. The Company received proceeds of $2,816,345 from the Private Placement, as there were no finder's fees payable. The Company had $2,119,446.54 in available funds in estimated working capital as at December 31, 2020. The Company intends to spend the available funds as follows:

	Funds Available ($)
Working Capital as at December 31, 2020.....	$2,119,446.54
Total Funds Available.....	$2,119,446.54
Expenditures: Research and Development (Chemistry).....	$350,000
Research and Development (Biology).....	$80,000
Research and Development (Formulation and Toxicology).....	$400,000
Intellectual Property (Development and License Costs).	$150,000
The Rescission……..	$2,875
Consultant Fees and Executive Officer Salaries.....	$240,000
Costs related to Listing.....	$20,000
General and administrative expenses(1)	$150,000
Unallocated working capital	$726,571.54
TOTAL.....	**$2,119,446.54**

Notes:

(1) General and administrative expenses are estimated to total $150,000 for the upcoming year, comprising: transfer agent and regulatory fees of $18,000; audit and related fees of $25,000; legal and related fees of $25,000; office and administrative expenses of $30,000; travel and related costs of $18,000; annual general meetings and associated costs of $12,000; and news release, investor relations and associated costs of $22,000.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry in which the Company's investee companies operate, investments may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see "*Risk Factors*").

Business Objectives and Milestones

BMB is advancing a drug development pipeline based on early stage compound in-licensing and in-house proprietary drug discovery programs. For in-licensing, the Company identifies the most promising drug candidate opportunities from academic research labs for BMB's molecular and therapeutic drug targets. As an example of this strategy, the Company's lead pipeline 5-HT_{2C} drug program with intellectual property that has been in-licensed from the University of Illinois at Chicago (UIC) through an option agreement with UIC dated May 26, 2020. With regard to in-house drug discovery, the Company's internal expert drug discovery team identifies BMB proprietary drug candidates *de novo*, through the design, synthesis and screening of novel drug compounds using state of the art

computer modeling techniques, and understanding of SARs. High value strategic partnerships are pursued as the Company advances its drug programs and drug candidate assets into the clinic. Such partnership deals accelerate the advancement of BMB drugs through clinical trials and to market by providing additional funding and drug development resources. In addition, through partnering deals BMB expects to be able to generate out-licensing and co-marketing commercial opportunities.

Representative development stages and associated milestones and payments in partnering deals for a drug candidate include:

Drug candidate selection preclinical milestone: pre-IND drug candidate compound has been selected with demonstrated biological efficacy and safety against the molecular drug target (e.g. 5-HT_{2A} receptor) and in animal models from in vitro and in vivo testing.

IND preclinical milestone: drug candidate has completed IND enabling studies allowing entry into Phase 1 first in human (FIH) clinical studies in healthy volunteers.

Phase I clinical milestones: drug candidate enters Phase I. Human safety, pharmacokinetics ("PK") and dose range is acceptable for advancement to clinical efficacy studies in patients.

Phase II clinical milestones: drug candidate enters and shows promising efficacy in pilot Phase 2a efficacy studies and advances to Phase II(b) efficacy trials with larger numbers of patients to confirm initial clinical proof-of-concept (POC).

Phase III clinical milestones: drug candidate enters Phase III trials and results in requisite larger patient population support NDA submission for marketing the drug in the target indication.

NDA milestones: submission and approval of NDA application for drug candidate.

Finally, annual royalty payments tiered based on total global sales are associated with drug candidates marketed through partnership deals.

Additional funds will be required to complete finished drug product manufacturing and clinical development activities. The nature and costs of such activities are heavily dependent on the outcome of the Company's drug discovery programs, initial clinical testing, and regulatory feedback. Commercial production is not anticipated to be attainable in the short term, and the costs of reaching the stage of such production are unknown but is anticipated to be significant and largely attainable only through future financings.

The primary business objectives for the Company over the next 12 months are as follows:

Business Objective	**Significant Events**	**Time Period**	**Costs related to Event**
Discovery: Drug candidate selection	demonstrate biological efficacy and safety against the molecular drug target (5-HT_{2A} receptor agonist)/ in vitro and in vivo animal models for selected indication	4-5 months	$250,000-$300,000
Development: Advance 5-HT_{2A} agonist compounds for depression	Complete pre-clinical pharmacology and pilot toxicology to advance to pre-IND stage for depression	6-8 months	$300,000
Development: Advance 5-HT_{2A} agonist compounds for depression	Complete pre-clinical pharmacology and pilot toxicology to advance to pre-IND stage for PTSD	12 months	$250,000

The Company anticipates that it will have sufficient cash available to execute its business plan and to pay its operating and administrative costs for at least twelve months after Listing.

Unallocated Funds in Trust or Escrow

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CEO of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value, issuable in series. As of the date hereof, there are 6,387,478 Common Shares issued and outstanding. The Company expects to issue 16,000 Common Shares upon exercise of the Special Warrants pursuant the Special Warrant Offering.

Common Shares

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. See "*Consolidated Capitalization – Fully Diluted Share Capital*".

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Qualified Securities, consisting of the Common Shares issuable upon the deemed exercise of the previously issued Special Warrants. The Special Warrants were sold to subscribers at a price of $0.50 per Special Warrant for aggregate proceeds of $20,000, and were adjusted in accordance with their terms in connection with the Consolidation, such that every 2.5 Special Warrants will convert into one Common Share.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE. The CSE has provided Conditional Approval to the Company.

The Special Warrants and the underlying Common Shares have not been and will not be registered under the U.S. Securities Act or under any state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act).

Certain of the Special Warrants were offered and sold in the United States to a limited number of "accredited investors," as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, pursuant to Rule 506(b) of Regulation D, and were issued as "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act. Any Common Shares issued on deemed exercise of the Special Warrants will also be "restricted securities," and the certificates representing such Common Shares will contain legends to the effect that the Common Shares have not been registered under the U.S. Securities Act and may only be offered for sale pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

The Special Warrants were issued pursuant to the terms of the Special Warrant Certificates representing the Special Warrants. The Special Warrant Certificates provide, among other things, that Special Warrantholders are entitled to receive in respect of each Special Warrant held, without additional consideration and without any further action on the part of the holder thereof, one Common Share. The Special Warrants will be deemed exercised for Common Shares on the Special Warrant Exercise Date.

Certificates or DRS advices representing the Common Shares to be issued upon deemed exercise of the Special Warrants will be available for delivery upon the deemed exercise of the Special Warrants.

The Company is not currently a reporting issuer in any province or territory of Canada.

CONSOLIDATED CAPITALIZATION

The Company

Consolidated Capitalization

The following table sets forth the share and loan capital of the Company before and after giving effect to the deemed exercise of the Special Warrants. The table should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus.

	Amount Authorized or to be Authorized	Outstanding as at September 30, 2020[(1)]	Outstanding as at the date of this Prospectus[(2)]	Outstanding After Giving Effect to the Special Warrant Offering[(3)]
Common Shares	Unlimited	11,858,848	6,387,478	6,403,478

Note:

(1) Prior to giving effect to the Second Tranche pursuant to which 4,072,843 pre-Consolidation Common Shares were issued on November 2, 2020 and the completion of the Consolidation, which occurred on the basis of 2.5 pre-Consolidation Common Shares for each one post-Consolidation Common Share, having occurred on November 10, 2020.

(2) On an undiluted, post-Consolidation basis. The Company also has 597,000 Options, 380,000 RSUs and 4,079,600 Warrants outstanding.

(3) On an undiluted, post-Consolidation basis. Assumes the issuance of 16,000 Common Shares upon deemed exercise of 40,000 Special Warrants, as adjusted to give effect to the Consolidation. The Company also has 597,000 Options, 380,000 RSUs and 4,079,600 Warrants outstanding.

Fully Diluted Share Capital

The following table sets forth the anticipated fully diluted share capital of the Company after giving effect to the deemed exercise of the Special Warrants.

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)
Common Shares outstanding at the date of this Prospectus	6,387,478[(1)]	55.73%
Common Shares to be issued upon deemed exercise of outstanding Special Warrants	16,000	0.15%

	Number of Common Shares Issued or Reserved for Issuance After Giving Effect to the Special Warrant Offering	Percentage of issued and outstanding Common Shares After Giving Effect to the Special Warrant Offering (fully-diluted)
Common Shares issuable upon exercise of Options	597,000	5.21%
Common Shares issuable upon exercise of Warrants	4,079,600[(2)]	35.60%
Common Shares issuable upon exercise of RSUs	380,000	3.31%
Total:	11,460,078	100%

Note: (1) Prior to completion of the Consolidation, which occurred on the basis of 2.5 pre-Consolidation Common Shares for each one post-Consolidation Common Share, there were 15,931,691 Common Shares issued and outstanding. In addition, 14,799 Common Shares were issued on a post-Consolidation basis on January 13, 2021.

(2) After the completion of the Consolidation, there were 4,079,600 Warrants exercisable at an adjusted price of $0.05 per Common Share. Prior to the completion of the Consolidation, there were 10,199,000 Warrants issued and outstanding.

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Outstanding Options

As of the date of this Prospectus, the Company has 597,000 Options outstanding.

Option Plan

A Stock Option Plan was approved by the Company's Board of Directors effective as of July 1, 2020 (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on (a) the trading say prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

At the time of Listing, the Company intends to have 597,000 Options outstanding, having been granted to directors, executive officers, employees and consultants, being approximately 9.34% of the issued and outstanding Common Shares after completion of the Listing. The Option Plan will be the sole share option plan utilized by the Company for security-based compensation and long-term incentives, however the Company also has a rolling 10% RSU Plan as another source of security-based compensation and incentive program as more particularly described below. The aggregate maximum number of Common Shares that may be reserved for issuance under the Option Plan is 10% of the issued and outstanding Common Shares, being 640,347 Common Shares at the time Listing,

The tables below summarize information about the Options expected to be issued prior to Listing:

	Common Shares under Option	Exercise Price	Expiry Date
Executive Officers[(1)]	175,000	$1.25	July 23, 2025 (150,000 Options) November 17, 2025 (25,000 Options)
Directors[(2)]	160,000	$1.25	November 17, 2025
Employees	nil	--	--
Consultants	262,000	$1.25	November 17, 2025

Notes:

(1) Consists of Dr. Revati Schreeniwas and Ryan Cheung.

(2) Consists of Nils Christian Bottler and Jeremy Fryzuk.

Terms of the Plan

The following is a summary of the material terms of the Stock Option Plan:

(i) the maximum number of Options which may be granted to any one holder under the Option Plan within any 12 month period shall be 5% of the number of issued and outstanding Common Shares (unless the Company has obtained disinterested shareholder approval if required by applicable laws);

(ii) if required by applicable laws, disinterested shareholder approval is required to grant to related persons, within a 12 month period, of a number of Options which, when added to the number of outstanding Options granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares;

(iii) the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;

(iv) the maximum number of Options which may be granted to any one consultant within any 12 month period must not exceed 2% of the number of issued and outstanding Common Shares;

(v) the maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the number of issued and outstanding Common Shares and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period;

(vi) the exercise price of any Option issued under the Stock Option Plan shall not be less than the Market Value (as defined in the Option Plan) of the Common Shares as of the grant date; and

(vii) the Board, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

The full text of the Stock Option Plan is available upon written request made directly to the Company at its registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia.

Restricted Share Unit Plan

On July 1, 2020 the Board adopted a 10% rolling restricted share unit plan (the "**RSU Plan**"). The RSU Plan provides that the maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time, subject to adjustments as provided in the RSU Plan. The RSU Plan is a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

Terms of the Plan

Nature and Administration of the RSU Plan

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Participants**"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee (the "**Board**"), can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account (an "**Account**") maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are not transferable or assignable otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of the Participant only by the Participant and after death only by the Participant's legal representative.

Credit for Dividends

A Participant's Account will be credited with additional RSUs (the "**Dividend RSUs**") as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he or she been holding such number of Common Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date. Note that the Company is not obligated to pay dividends on Common Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Participant's employment or service is terminated, or if the Participant resigns from employment with the Company, then all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service or employment.

In the event a Participant is terminated by reason of (i) termination by the Company other than for cause or (ii) the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date. In the event the termination of the Participant's services is by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date.

Change of Control

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event (as defined in the RSU Plan) or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this RSU Plan be final, conclusive and binding.

Adjustments

In the event there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the CSE where necessary, appropriate substitution or adjustment in (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the RSU Plan, and (ii) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the RSU Plan.

Vesting

Each award of RSUs vests on the date(s) specified by the Board on the award date, and is reflected in the applicable RSU agreement certificate.

Limitations under the RSU Plan

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, subject to adjustments as provided in the RSU Plan.

The full text of the RSU Plan is available upon written request made directly to the Company at its registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia.

Outstanding Warrants

As of the date of this Prospectus, the Company has 4,079,600 Warrants outstanding expiring on July 30, 2024, each of which can be exercised for one Common Share at a price of $0.05 per Warrant.

DIVIDENDS OR DISTRIBUTIONS

The Company has not declared any cash dividends or distributions for any of our securities and no such dividends or distributions are contemplated for the current financial year.

As of the date of this Prospectus, there are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has neither declared nor paid any dividends on its shares and it is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future. Any future decision to pay dividends on the Company's Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

PRIOR SALES

This table sets out particulars of the Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance/Sale	Security Type	Number of Securities	Issue/Sale Price
September 30, 2020	Common Shares	1,559,847[(1)(2)]	$0.50[(1)]
November 2, 2020	Common Shares	4,072,843[(1)(3)]	$0.50[(1)]
January 13, 2021	Common Shares	14,799[(4)]	$1.25

Notes:

(1) Issued on a pre-Consolidation basis; the issue price listed is the price prior to adjustment in connection with the Consolidation.
(2) Issued in connection with the First Tranche of the Private Placement.
(3) Issued in connection with the Second Tranche of the Private Placement.
(4) Issued in connection with a debt settlement agreement between the Company and a consultant to settle an aggregate amount of $18,499.95 in debt owed to the consultant by the Company for past services rendered.

This table sets out particulars of securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
July 23, 2020	Options	375,000[(1)]	$0.50
July 23, 2020	RSUs	375,000[(1)]	N/A

September 18, 2020	RSUs	575,000[(1)]	N/A
November 2, 2020	Special Warrants	40,000 [(2)]	$0.50
November 17, 2020	Options	447,000	$1.25

Notes:

(1) On a pre-Consolidation basis.

(2) Issued in connection with the Special Warrant Offering on a pre-Consolidated basis. Each Special Warrant is adjusted in accordance with its provisions, and every three Special Warrants will be deemed exercised in exchange for one Common Share on the earlier of the date that is (i) the third Business Day after a receipt for a final prospectus qualifying the distribution of the Common Shares issuable upon the conversion of the Special Warrants and (ii) 4 months and one day after the issue date of the Special Warrants. The Company expects to issue 16,000 Common Shares upon conversion of the Special Warrants. See "*Plan of Distribution*" for a description of the terms of the Special Warrants.

ESCROWED SECURITIES AND RESALE RESTRICTIONS

Escrowed Securities

CSE Escrow

As of the date of this Prospectus, none of the Company's securities are held in escrow or are subject to a contractual restriction on transfer, except as set out below under "Voluntary Escrow".

In connection with the proposed listing of Common Shares on the CSE, the following Common Shares are expected to be subject to escrow upon completion of the listing on the CSE as shown in the following table:

Designation of Class	Number of securities held in escrow	Percentage of class
Common Shares	2,852,800[(1)]	44.55%[(2)]
Warrants	1,948,000[(1)]	47.75%[(3)]

Notes:

(1) Common Shares and Warrants (the "**Escrowed Securities**") held in escrow and released over a 36-month period pursuant to an escrow agreement to be entered into (the "**Escrow Agreement**") between directors and officers of the Company and Computershare Trust Company of Canada, as escrow agent. The release of the Escrowed Securities under the Escrow Agreement is as follows: 10% on date of listing on the CSE and thereafter 15% released every six months over a 36-month period.

(2) Percentage is based on 6,403,478 Common Shares expected to be outstanding upon exercise of the Special Warrants and listing on the CSE.

(3) Percentage is based on 4,079,600 Warrants expected to be outstanding as at listing on the CSE.

Section 3.5 of National Policy 46-201 - *Escrow for Initial Public Offerings* provides that all securities of a company owned or controlled by principals will be escrowed at the time of the company's initial public offering, unless the securities held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the total issued and outstanding shares of the company after giving effect to the initial public offering.

Directors, executive officers and certain shareholders of the Company (the "**Escrow Shareholders**") have entered into the Escrow Agreement with the Company pursuant to which the Escrow Shareholders have agreed to deposit the securities of the Company which they hold with Computershare Trust Company of Canada, as escrow agent once appointed, until they are released in accordance with terms of their respective Escrow Agreements, CSE Policy and applicable securities law as follows:

Release Date	Amount of Securities to be Released
On the date the Company's securities are listed on the CSE	10% of Escrowed Securities
6 months after the listing date	15% of Escrowed Securities

12 months after the listing date	15% of Escrowed Securities
18 months after the listing date	15% of Escrowed Securities
24 months after the listing date	15% of Escrowed Securities
30 months after the listing date	15% of Escrowed Securities
36 months after the listing date	15% of Escrowed Securities

Voluntary Escrow

1,933,079 Common Shares held by thirty-eight shareholders of the Company are subject to voluntary pooling restrictions whereby 25% will be released on the Listing Date, 25% will be released every six months from Listing, and 50% will be released twelve months from Listing. 20,000 Common Shares are also subject to the Escrow Agreement.

2,658,400 Common Shares held by seven shareholders of the Company are subject to voluntary pooling restrictions whereby 10% will be released on the Listing Date and 15% will be released every six months thereafter over a 36-month period.

40,000 Common Shares held by one shareholder are subject to a voluntary pooling agreement pursuant to which 50% of such Common Shares will be subject to a 12-month resale restrictions, and the remaining 50% will be subject to a 24-month resale restriction.

320,000 Common Shares held by one shareholder of the Company are subject to voluntary pooling restrictions whereby 50% will be released on the Listing Date, 25% will be released every six months from Listing, and 25% will be released twelve months from Listing.

PRINCIPAL SHAREHOLDERS

The Company

As of the date of this Prospectus, 6,387,478 Common Shares are issued and outstanding.

To the knowledge of the directors and officers of the Company, the following persons are expected to beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares:

Name and Residence of Securityholder	Number and Percentage of Common Shares
Alan Kozikowski Illinois, USA	1,000,000 Common Shares (15.65 %)
Gideon Shapiro Florida, USA	748,000 Common Shares (11.71 %)
Ian McDonald Toronto, Canada	844,800 Common Shares (13.22%)

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, age, city of residence, position and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the current directors and officers of the Company. The directors of the Company are Ian McDonald, Nils Christian Bottler, Jeremy Fryzuk and Alan Kozikowski and the officers of the Company consist of Ian McDonald (CEO), Ryan Cheung (CFO), Dr. Alan

Kozikowski (Chief Science Officer), Dr. Gideon Shapiro (VP Discovery) and Dr. Revati Shreeniwas (Chief Medical Officer).

Name, Age and City of Residence	Position	Principal Occupations Held During the Last 5 Years	Common Shares Owned After Giving Effect to the Special Warrant Offering	
			Number	Percentage
Ian McDonald(1) Age 33 Toronto, Canada	CEO, President and Director	2015 – 2016 – Director at Haywood Securities 2016 – 2017: Executive at Avnel Gold 2019 – Present: Executive at Bright Minds Bioscience	844,800	13.19%
Ryan Cheung Age 42 Vancouver, Canada	CFO	2014 – Present: Chartered Accountant and Managing Partner at MCPA Services Inc.	nil	0%
Alan Kozikowski Age 71 Chicago, IL	Chief Science Officer, Director	Professor Emeritus, University of Illinois at Chicago, ran NIH funded research group; 7/1/13 - 7/31/17; President and CEO, StarWise Therapeutics LLC, 8/1/17 – 2/20, Madison WI; Co-Founder, Bright Minds Biosciences, 1/20 – present	1,000,000	15.61%
Dr. Gideon Shapiro Age 61 Gainesville, FL	Vice President (Discovery)	2019 - Present: Head of Discovery at BMB 2014 – 2019: Chief Science Officer at Rugen Therapeutics	748,000	11.68%
Dr. Revati Shreeniwas Age 60 Palo Alto, CA	Chief Medical Officer	2004 – Present: President of Revati Inc a Medical Corp November 2019 – June 2020: Vice President Clinical Development Soleno Therapeutics 2015-2017: Chief Medical Officer Neuraxon Pharma Inc.	200,000	3.12%
Nils Christian Bottler(1) Age 34 Berlin, Germany	Director	2017 – Present: Associate Partner at Think.Health Ventures 2016 – 2017: Senior Vice President at RHOEN KLINIKUM AG 2015 – 2016: Senior Business Development Manager at ProSiebenSat.1 Media SE	20,000	0.31%
Jeremy Fryzuk(1) Age 36 London, United Kingdom	Director	2015 – Present: Director in the Corporate Private Equity Team at Lone Star Funds	40,000	0.62%

Notes:

(1) Proposed member of audit committee.

As of the date of this Prospectus, directors and officers of the Company, as a group, own or control or exercise direction over 2,852,800 Common Shares, being 44.66% of the issued Common Shares.

Directors and Officers – Biographies

The following biographies provide information in respect of the directors and officers of the Company.

Ian McDonald – Age 33 - Chief Executive Officer, President and Director

Mr. McDonald is an entrepreneur and former Investment Banker. Prior to BMB, he served on the management team at a TSX-listed gold mining company. In that capacity, McDonald developed and implemented the corporate strategy as it relates to M&A and capital markets resulting in a $160 million sale within one year.

Previously, he worked in a senior role at a Canadian Investment Bank and in private equity in Vancouver, London and Toronto. Under Mr. McDonald's guidance, clients raised hundreds of millions of dollars in capital. Ian has served as a member of the Board of Directors of several TSX Venture Exchange, Canadian Securities Exchange-listed and private companies.

Mr. McDonald has entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. McDonald will devote approximately 80% of his time to the business of the Company to effectively fulfill his duties as a CEO, President and Director.

Ryan Cheung – Age 42 - Chief Financial Officer

Ryan Cheung is the founder and managing partner of MCPA Services Inc., Chartered Professional Accountants, in Vancouver, B.C. Leveraging his experience as a former auditor of junior venture and resource companies, Mr. Cheung serves as a director and officer or consultant for public and private companies, providing financial reporting, taxation and strategic guidance.

He has been an active member of the Chartered Professional Accountants of British Columbia (formerly Institute of Chartered Accountants of British Columbia) since January 2008. Mr. Cheung holds a diploma in accounting from the University of British Columbia and a Bachelor of Commerce in international business from the University of Victoria.

Mr. Cheung has entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Cheung will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as the CFO.

Dr. Alan Kozikowski – Age 71 – Chief Science Officer, Director

Dr. Kozikowski, trained at Michigan, Berkeley, and Harvard, began his own career as a Professor of organic chemistry at the University of Pittsburgh. Following his interests in the applications of chemistry to biological problems, he moved on to the Mayo Clinic, and then assumed a position at the Georgetown University Medical Center as Director of the Drug Discovery Program. After a decade at Georgetown, he led a research group at the University of Illinois at Chicago in the Department of Medicinal Chemistry.

Specifically, Dr. Kozikowski's continued efforts to identify possible treatments for Alzheimer's disease have resulted in the advancement of the natural product huperzine A to the clinic, an acetylcholinesterase inhibitor that has now become an OTC pharmaceutical. He has also developed a new Positron Emission Tomography (PET) imaging agent for use in prostate cancer diagnosis, which is in the clinic. Other novel inventions have been created, with a number of these moving into the clinical realm. A new company, Actuate Therapeutics Inc., has been founded to advance small molecule kinase inhibitors for the treatment of brain cancers. Actuate has raised millions of dollars to advance a GSK-3 inhibitor that he invented to Phase II clinical trials for the treatment of melanoma, breast cancer, and pancreatic cancer. He has experience running biotechnology companies including acting as the CEO of StarWise Therapeutics, focused on developing novel HDAC6 inhibitors for use in Fragile X syndrome, Charcot Marie Tooth disease, and Rett syndrome. Dr. Kozikowski has over 550 publications and more than 100 patents to his name.

Dr. Kozikowski has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Dr. Kozikowski will devote approximately 80% of his time to the business of the Company to effectively fulfill his duties as Chief Science Officer and a Director.

Dr. Gideon Shapiro – Age 61 - Vice President (Discovery)

Gideon Shapiro, PhD, trained as an organic chemist at UNC Chapel Hill and UC Berkeley, before going on to do postdoctoral research at the ETH Federal Institute of Technology in Zurich, Switzerland. He began his drug discovery career as a senior medicinal chemist in Central Nervous System department of Sandoz Pharmaceuticals in Basel, Switzerland. Over his 10-year career at Sandoz he advanced to lead the Alzheimer's and Neurodegeneration drug discovery group which was responsible for promoting numerous drug candidates into clinical trials including the marketed Alzheimer's drug Exelon®. After the merger of Sandoz with Ciba-Geigy to form Novartis, he transitioned his career to founding and leading biopharmaceutical ventures. He was co-founder and CEO of EraGen Biosciences, one of the first Novartis Venture Companies. EraGen was acquired by Luminex for its novel marketed DNA chemistry based diagnostic Multicode®-RTx product line co-invented by Dr. Shapiro. Backed by Alliance Technology Ventures out of Atlanta, Georgia, he went on to found Somatocor Pharmaceuticals based on his inventions of peptidomimetic drugs of the peptide hormone somatostatin and marketed drug Sandostatin®.

Over the last 15-years Dr. Shapiro has had a central role in drug discovery, development and corporate partnering efforts at Fidelity venture backed companies. He was Vice President of Chemistry at the Fidelity neuroscience venture EnVivo Pharmaceuticals (subsequently Forum Pharmaceuticals), and played a leadership role in the invention and advancement of a portfolio numerous CNS drugs that entered late stage clinical trials in patients. Among these the alpha-7 nicotinic agonist drug encenicline (FRM-6124) advanced to Phase III clinical trials in Alzheimer's disease and schizophrenia for cognitive enhancement. Most recently Dr. Shapiro led the discovery and development as Chief Scientific Officer of Rugen which is advancing new small molecule drug therapies for psychiatric diseases. Dr. Shapiro has extensive experience and participated in numerous R&D collaborations and licensing deals with biopharmaceutical and global pharmaceutical industry partners. He has over 100 patents and publications to his name.

Dr. Shapiro has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Dr. Shapiro will devote approximately 80% of his time to the business of the Company to effectively fulfill his duties as VP Discovery and a Director.

Dr. Revati Shreeniwas – Age 60 - Chief Medical Officer

Revati Shreeniwas, MD, is a physician researcher with 17 years of experience in the pharmaceutical industry passionate about bringing novel therapeutics to patients with an unmet clinical need. She has served as an executive level clinical expert with operational knowledge in leading complex programs for a range of therapeutics (Phase I-IV studies). She has worked on several drugs that have gone on to be approved and are commercially successful, including Tracleer Lexiscan, Natrecor, Rytary, Esbriet, Sunosi and Talzenna. Dr. Shreeniwas has served in senior leadership roles in other privately held companies such as Neuraxon Pharmaceuticals (developing migraine drugs) and has also run a boutique clinical development consulting company providing start up companies with strategic drug development services to help achieve key milestones in a cost effective manner.

Dr. Shreeniwas has entered into a non-competition and non-disclosure agreement with the Company. It is expected that Dr. Shreeniwas will devote approximately 80% of her time to the business of the Company to effectively fulfill her duties as Chief Medical Officer.

Nils Christian Bottler – Age 34 – Director

Mr. Bottler is a Venture Capitalist currently working at Think.Health Ventures as an Associate Partner. The company focuses on investment in early-stage start-ups in the fields of digital health and medical device technology. Think.Health supports its portfolio beyond financial investment with knowledge, experience and access to an extensive business network.

His prior work experience was in the banking industry working mainly on M&A projects as well as on a number of consulting projects in Germany, China, the UK, and the United Arab Emirates. He then moved to digital media and analyzed, developed and executed new business models at the Axel Springer SE in Berlin before taking a deep dive into the German health care market as SVP RHÖN-Innovations and the premier hospital chain RHÖN-KLINIKUM AG.

Dr. Bottler has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Bottler will devote approximately 5% of his time to the business of the Company to effectively fulfill his duties as a Director.

Jeremy Fryzuk – Age 36 – Director

Mr. Fryzuk is a private equity investment professional based in London. He has over 10 years of experience in private equity. He started his career in investment banking in Toronto with BMO Capital Markets. Mr. Fryzuk holds a Bachelor of Commerce with a major in Finance from Dalhousie University in Canada.

Mr. Fryzuk has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Fryzuk will devote approximately 5% of his time to the business of the Company to effectively fulfil his duties as a Director.

Committees

The only committee of the Board of Directors of the Company is the Audit Committee. The Audit Committee of the Company consists of Ian McDonald (Chair), Nils Christian Bottler and Jeremy Fryzuk.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no other director or officer of the Company is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Ryan Cheung is currently the CFO of DMG Blockchain Solutions Inc. ("**DMG**"), a company listed on the TSX Venture Exchange. DMG was issued a failure-to-file cease trade order on February 1, 2019 by the BCSC for failing to file its annual audited financial statements for the year ended September 30, 2018 and the related management's discussion and analysis and certification. This failure-to-file cease trade order was revoked on August 28, 2019.

Mr. Cheung was formerly the CFO, CEO and a director of Xemplar Energy Corp. ("**Xemplar**"), a company previously listed on the TSX Venture Exchange and currently listed on the NEX board of the TSX Venture Exchange. Xemplar was issued a failure-to-file cease trade order on May 8, 2015 by the BCSC for failing to file its annual audited financial statements for the year ended December 31, 2014 and the related management's discussion and analysis and certification. Xemplar was issued another failure-to-file cease trade order on August 7, 2015 by the Alberta Securities Commission for failing to file its annual audited financial statements for the year ended December 31, 2014 and the related management's discussion and analysis and certification, as well as the interim unaudited financial statements for the period ended March 31, 2015 and the related management's discussion and analysis and certification. Both failure-to-file cease trade orders have not been revoked as of the date of this Prospectus. Mr. Cheung resigned as CFO on April 30, 2013 and resigned as CEO and director on April 28, 2015.

Penalties or Sanctions

No director or officer of the Company has within the ten years before the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No director or officer of the Company is, or, within the ten years before the date of this Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

EXECUTIVE COMPENSATION

In this section "**Named Executive Officer**" or "**NEO**" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CEO**"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

The Company

Compensation Discussion and Analysis

Ian McDonald (CEO, President and Director) and Ryan Cheung (CFO) are the Company's only Named Executive Officers.

Executive compensation is intended to be consistent with the Company's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors and the Company's performance. The Company's executive compensation program is intended to provide an appropriate overall compensation package that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Compensation for the NEOs is intended to reflect a fair evaluation of overall performance.

The Board of Directors of the Company has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board of Directors as a whole. The Board of Directors also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board of Directors reviews compensation of senior management on an annual basis.

When determining individual compensation levels for the Company's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Company, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Board of Directors considers the following objectives when reviewing annual compensation: (i) retaining individuals critical to the growth and overall success of the Company; (ii) rewarding achievements of individuals; (iii) providing fair and competitive compensation; and (iv) compensating individuals based on their performance.

The base salary review for each NEO is based on an assessment of factors such as current market conditions and particular skills, including leadership ability and management effectiveness, experience, responsibility and proven or expected performance.

The Company has adopted a Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders. As of the date of this Prospectus, the Company has 597,000 Options issued and outstanding. See "*Options to Purchase Securities*".

The Company is aware that compensation practices can have unintended risk consequences. At the present time, the Board of Directors is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

Summary Compensation Table

The Company was not a reporting issuer at any time during the most recently completed period for which financial statements are available. Accordingly, the following table sets out information concerning the expected compensation to be paid to each NEO once the Company becomes a reporting issuer, effective as of date hereof, for the 12 month period after the Listing Date.

Name and Principal Position	**Salary ($)**	**Share-based Awards ($)**	**Option-based Awards ($)**	**Non-equity Incentive Plan Compensation ($)**		**Pension Value ($)**	**All other Compen-sation ($)[(1)]**	**Total Compen-sation ($)**
				Annual Incentive Plans	**Long-term Incentive Plans**			
Ian McDonald President, CEO and Director	Nil	Nil	Nil[(1)]	Nil	Nil	Nil	Nil	Nil
Ryan Cheung Chief Financial Officer	$36,000	Nil	Nil[(1)]	Nil	Nil	Nil	Nil	$36,000

Notes:

(1) It is anticipated that the NEOs of the Company will be entitled to receive stock option awards at the discretion of the Board of Directors of the Company.

Incentive Plan Awards

Option grants will be used to align executive interests with those of the shareholders of the Company and will be based on the executive's performance, level of responsibility, as well as the number and exercise price of Options previously issued to the executive as part of the overall aggregate total compensation package. Options may be granted on an annual basis in connection with the review of executives' compensation packages, or upon hire or promotion and as special recognition for extraordinary performance.

Pension Plan Benefits

The Company does not anticipate that it will have a pension, retirement or similar plan.

Termination of Employment and Change of Control Benefits

None of the NEOs currently has any agreement in place with the Company pursuant to which such NEO would be entitled to receive payments in the event of any termination of employment or a change of control.

Director Compensation

Non-executive directors of the Company are not expected to be paid fees for the year following the Listing Date. Directors will be entitled to receive options in accordance with the terms of the Stock Option Plan. The timing, amounts, exercise price of those future option-based awards are not yet determined. Directors of the Company will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board of Directors, committees of the Board of Directors or meetings of the shareholders of the Company. It is anticipated that the Company will obtain customary insurance for the benefit of its directors and that the Company will enter into indemnification agreements with each director and officer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Company

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or any of its subsidiaries, or has been at any time during the preceding financial year.

AUDIT COMMITTEE

The Audit Committee's Mandate

The mandate of the Audit Committee is to ensure the Company effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the Board of Directors in the areas of management systems and controls. The charter of the Audit Committee is attached to this Prospectus as Exhibit "B".

Composition of the Audit Committee

The Audit Committee of the Company is to consist of Ian McDonald (Chair), Nils Christian Bottler and Jeremy Fryzuk. Of the members of the Audit Committee, Nils Christian Bottler and Jeremy Fryzuk are independent. Ian McDonald (Chief Executive Officer) will be a non-independent member of the Audit Committee. In accordance with section 6.1.1(3) NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee will not be executive officers, employees or control persons of the Company.

All members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. For a summary of the experience and education of the Audit Committee members see "*Directors and Officers – Biographies*".

Reliance on Certain Exemptions

The Company is relying on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by De Visser Gray LLP to ensure auditor independence. The following table sets out the aggregate fees billed to date by De Visser Gray LLP for the audit fees and the tax fees for the fiscal years ended September 30, 2019 and September 30, 2020, for each category of fees described:

Time Period	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
Fiscal year ended September 30, 2019	nil	nil	nil	nil
Fiscal year ended September 30, 2020	$18,500	nil	nil	nil

Notes:

(1) "Audit Fees" includes fees necessary to perform the annual audit of the Company's financial statements.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under clauses (1), (2) and (3) above.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The board of directors is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The board of directors facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board of Directors requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board of Directors is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The Board of Directors of the Company consists of Ian McDonald, Nils Christian Bottler, Jeremy Fryzuk and Dr. Alan Kozikowski. The independent directors are Nils Christian Bottler and Jeremy Fryzuk. Ian McDonald, the CEO and President of the Company and Dr. Alan Kozikowski, the Chief Science Officer of the Company, are non-independent directors.

Directorships

The following directors of the Company are currently directors of other reporting issuers (or equivalent in a foreign jurisdiction):

Name	Name of Reporting Issuer	Years
Ian McDonald	Prophecy Potash Corp. (TSX-V)	3
	GK Resources Ltd. (CSE)	3

Name	Name of Reporting Issuer	Years
Jeremy Fryzuk	Balta Group NV (Euronext Brussels)	3

Orientation and Continuing Education

When new directors are appointed to the Board of Directors, they receive an orientation, commensurate with their previous experience on the Company's business and on the responsibilities of directors.

Meetings of the Board of Directors may also include presentations by the Company's management to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board of Directors will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board of Directors' duties effectively and to maintain a diversity of views and experience.

The Board of Directors does not have a nominating committee, and these functions are currently performed by the Board of Directors as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board of Directors is responsible for determining compensation for the officers, employees and non-executive directors of the Company. The Board of Directors annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regards to the expertise and experience of each individual and in relation to industry peers. See "*Executive Compensation*".

Other Committees of the Board of Directors

The Board of Directors has no committees other than the Audit Committee.

Assessments

The Board of Directors monitors the adequacy of information given to directors, communication between the Board of Directors and management, and the strategic direction and processes of the Board of Directors and Audit Committee.

RISK FACTORS

Risks Relating to the Company's Business

Limited Operating History

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages,

limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company may not be successful in its efforts to identify, license or discover additional product candidates.

Although a substantial amount of the Company's effort will focus on the continued research and pre-clinical testing, potential approval and commercialization of its existing product candidates, the success of its business also depends in part upon its ability to identify, license or discover additional product candidates. The Company's research programs or licensing efforts may fail to yield additional product candidates for clinical development for a number of reasons, including but not limited to the following:

- the Company's research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- the Company may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- the Company's product candidates may not succeed in pre-clinical or clinical testing;
- the Company's product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval;
- competitors may develop alternatives that render the Company's product candidates obsolete or less attractive;
- product candidates the Company develops may be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during the Company's program so that such a product may become unreasonable to continue to develop;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its development efforts to identify, license or discover additional product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company as a going concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

The Company's intellectual property and licences thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching the exclusive license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

The Company not achieving timelines for project development set out in this Prospectus

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its operations, as well as electricity, water and other utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition operating results, and timelines for project development of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, operating results, and timelines for project development of the Company.

The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability.

The risk of product liability is inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. Product candidates and products that we may commercially market in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. If the Company's product candidates during clinical trials were to cause adverse side effects, the Company may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for our products due to negative public perception;
- injury to our reputation;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to commercialize any of product candidates, if approved.

The Company intends to obtain clinical trial insurance once a clinical trial is initiated. However, the insurance coverage may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. The Company's inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the commercialization of its product candidates. If a successful product liability claim or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has international operations, which subject us to risks inherent with operations outside of Canada.

The Company has international operations and may seek to obtain market approvals in foreign markets that it deems could generate significant opportunities. However, even with the cooperation of a commercialization partner, conducting drug development in foreign countries involves inherent risks, including, but not limited to: difficulties in staffing, funding and managing foreign operations; different and unexpected changes in regulatory requirements; export restrictions; tariffs and other trade barriers; different reimbursement systems; economic weaknesses or political instability in particular foreign economies and markets; compliance with tax, employment, immigration and labour laws for employees living or travelling abroad; supply chain and raw materials management; difficulties in protecting, acquiring, enforcing and litigating intellectual property rights; fluctuations in currency exchange rates; and potentially adverse tax consequences.

If the Company were to experience any of the difficulties listed above, or any other difficulties, its international development activities and its overall financial condition may suffer and cause it to reduce or discontinue our international development and market approval efforts.

Exchange rate fluctuations between the U.S. dollar and the Canadian dollar may negatively affect the Company's earnings and cash flows.

The Company's functional currency is the Canadian dollar. The Company may incur expenses Canadian Dollars and U.S. dollars. As a result, we are exposed to the risks that the Canadian dollar may devalue relative to the U.S. Dollar, or, if the Canadian dollar appreciates relative to the U.S. Dollar, that the inflation rate in Canada may exceed such rate of devaluation of the Canadian dollar, or that the timing of such devaluation may lag behind inflation in Canada. The Company cannot predict any future trends in the rate of inflation in Canada or the rate of devaluation, if any, of the Canadian dollar against the U.S. Dollar.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize our discoveries.

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of our and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize our products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated because it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries.

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company because it expects that future product candidates could be manufactured, and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the U.S.,. and foreign countries may affect our ability to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

The lack of product for commercialization

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

The lack of experience of the Company/Management in marketing, selling, and distribution products

Our management's lack of experience in marketing, selling, and distributing our products could lead to poor decision-making, which could result in cost-overruns and/or the inability to produce the desired products. Although management of the Company intends to hire experienced and qualified staff, this inexperience could also result in the company's inability to consummate revenue contracts or any contracts at all. Any combination of the aforementioned may result in the failure of the Company and a loss of your investment.

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.

Because the industry in which the Company operates is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

If you purchase the Common Shares in an offering, you will experience substantial and immediate dilution, because the price that you pay will be substantially greater than the net tangible book value per share of the Common Shares that you acquire. This dilution is due in large part to the fact that the Company's earlier investors will have paid substantially less than a public offering price when they purchased the Common Shares.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such

participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Need for additional financing

The Company believes that it will have sufficient capital to operate its business for at least 12 months following Listing. However, it is possible that costs associated with the operation of the Company's business will exceed its projections depending on the timing of future operating and capital expenses. Assuming the Company's existing funds sustain its operations for this period, the Company believes that it may thereafter require additional capital for additional product development, sales and marketing operations, other operating expenses and for general corporate purposes to fund growth in the Company's markets. The Company does not know how much additional funding it may require. The Company may therefore be required to seek other sources of financing in the future, which sources (assuming it is able to locate such alternative sources of financing) may be on terms less favorable to the Company than those in the Special Warrant Offering. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds from this Offering, these intended uses are estimates only and may be subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

If the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of its securities.

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the pharmaceutical industry in Canada. A failure in the demand for its products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

COVID-19 may materially and adversely affect the Company's business and financial results.

The Company's business could be materially and adversely affected by health epidemics in regions where the Company conducts research and development activities.

In December 2019, a novel strain of COVID-19 was reported in China. Since then, COVID-19 has spread globally. On March 11, 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 as a "pandemic", or a worldwide spread of a new disease. Many countries around the world, including Canada, the United States and most countries in Europe, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses.

The COVID-19 pandemic and any other health epidemics have the potential to cause significant disruption in the operations of the laboratories upon whom the Company relies, including laboratories situated in various parts of the United States and Europe. The Company is reliant on the continued operations of such laboratories. The regulations imposed by governments in response to the COVID-19 pandemic may cause laboratories to operate at limited occupancy rates, which may slow the rate at which research and development activities can be conducted. The Company may not have control over the protocols adopted in response to the COVID-19 pandemic by such laboratories in response to the regulations imposed by the governments in the regions in which they operate. The effects of such protocols and/or regulations may negatively impact productivity, disrupt our business and delay our research and development timelines, as well as potentially impact our financial condition and result of operations. The magnitude of these potential effects are uncertain and will depend, in part, on the length and severity of the COVID-19 pandemic and the restrictions imposed by governments in response.

Risks Relating to the Common Shares

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the

Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to the Company's success and are, therefore, not within the Company's control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

No Established Market

Although the Company has applied for the listing of the Common Shares on the CSE, there is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. An active public market for the Common Shares might not develop or be sustained after this Offering. Even if a market develops, there is no assurance that the price of the Common Shares offered under this Prospectus, which has been determined by negotiations between the Company and representatives of the Agent, will reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the initial public offering price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company will be subject to additional regulatory burden resulting from its public listing on the CSE.

The Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or any other stock exchange. In anticipation of Listing, the Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or

other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

PROMOTERS

Ian McDonald and Alan Kozikowski are Promoters of the Company. For information on the securityholdings and consideration received by the Promoters, see "*Directors and Officers*" and "*Executive Compensation*".

LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings and the Company does not know of any such proceedings that are contemplated.

REGULATORY ACTIONS

The Company does not know of any:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus;

(b) any other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed above under the heading "*Executive Compensation*", no Insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or Insider has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS

The Company's independent auditor is De Visser Gray LLP, located at 905 W Pender St, Vancouver, BC V6C 1L6.

REGISTRAR AND TRANSFER AGENT

Prior to filing the final prospectus, the Company intends to appoint Computershare Trust Company of Canada as the transfer agent and registrar for the Company's Common Shares at its office located at 510 Burrard St, Third Floor, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company, other than as set forth below:

(a) the Roth Kozikowski Agreement, referred to under "*General Development and Business of the Company*";

(b) the Escrow Agreement, referred to under "*Escrowed Securities*";

(c) the following agreements, referred to under "*Employment, Consultant and Management Agreements*", with the following individuals:

i) Consulting Agreement with Dr. Krista Lanctot;
ii) Consulting Agreement with Werner Tueckmantel;
iii) Consulting Agreement with John McCorvy;
iv) Consulting Agreement with Peter Kowey;
v) Consulting Agreement with Arina Zhukova;
vi) Consulting Agreement with Laurentiu Nicolae;
vii) Consulting Agreement with Dorothy G. Flood;
viii) Scientific Advisory Board Agreement with Narayan R. Kisson, MD; and
ix) Scientific Advisory Board Agreement with Peter Hendricks.

(d) the Services Agreement dated June 22, 2020 between the Company and the Medical College of Wisconsin, Inc. ("**MCW**") engaging MCW, led by John McCorvy, to provide certain consulting, laboratory and/or research-related services to the Company; and

(e) the Sponsored Research Agreement dated October 15, 2020 between the Company and the University of Texas Medical Branch at Galveston, d/b/a UTMB Health ("**UTMB**") engaging the research services of UTMB, led by Dr. Kathryn Cunningham, to conduct a research program sponsored by the Company.

EXPERTS AND INTERESTS OF EXPERTS

Certain matters relating to the Special Warrant Offering will be passed upon on behalf of the Company by McMillan LLP. As of the date of this Prospectus, McMillan LLP beneficially owns, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

The independent auditor of the Company is De Visser Gray LLP. De Visser Gray LLP is independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

OTHER MATERIAL FACTS

There are no material facts relating to the Company or the Special Warrant Offering other than as disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of special warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial securities legislation, to the price at which the special warrants are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser

should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Company has granted to each holder of Special Warrants a contractual right of recession of the prospectus-exempt transaction under which the Special Warrants were initially acquired. The contractual right of rescission provides that if a holder of Special Warrants who acquires Common Shares on exercise of the Special Warrants as provided for in this Prospectus is, and becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Special Warrant Offering under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company and on the acquisition of the Special Warrants, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and a refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

EXHIBIT A

FINANCIAL STATEMENTS OF THE COMPANY
AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Bright Minds Biosciences Inc.

Consolidated Financial Statements

For the year ended September 30, 2020

and the period from May 31, 2019 (date of incorporation) to September 30, 2019

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Directors of Bright Minds Biosciences Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bright Minds Biosciences Inc., which comprise the consolidated statements of financial position as at September 30, 2020 and September 30, 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year and period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Bright Minds Biosciences Inc. as at September 30, 2020 and September 30, 2019 and its financial performance and its cash flows for the year and period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Bright Minds Biosciences Inc. in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that Bright Minds Biosciences Inc. incurred a net loss of $480,377 for the year ended September 30, 2020, has a deficit of $559,094 since inception and has negative operating cash flows. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on Bright Minds Biosciences Inc.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Bright Minds Biosciences Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Bright Minds Biosciences Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Bright Minds Biosciences Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bright Minds Biosciences Inc.'s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bright Minds Biosciences Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Bright Minds Biosciences Inc. to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
January 28, 2021

Bright Minds Biosciences Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	September 30, 2020	September 30, 2019
		$	$
ASSETS			
Current Assets			
Cash		**799,929**	79,991
Prepaids	11	**78,287**	-
		878,216	79,991
Non- Current Assets			
Intangible assets	4	**2,000**	2,000
TOTAL ASSETS		**880,216**	81,991
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	5	**150,923**	36,708
TOTAL LIABILITIES		**150,923**	36,708
Shareholders' equity			
Share capital	6	**980,661**	205,980
Subscriptions receivable	6	**(1,000)**	(81,980)
Subscriptions received	6	**147,426**	-
Reserves	6	**161,300**	-
Deficit		**(559,094)**	(78,717)
TOTAL SHAREHOLDERS' EQUITY		**729,293**	45,283
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**880,216**	81,991

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors:

"Ian McDonald"	*"Alan Kozikowski"*
Director	Director

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

Bright Minds Biosciences Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the year ended September 30, 2020	For the period ended September 30, 2019
		$	$
EXPENSES			
Funds processing fees – private placement		**5,568**	-
Marketing, advertising and investor relations		**9,618**	-
Office		**637**	-
Professional fees	7	**104,251**	36,708
Regulatory and filing		**5,451**	-
Research and development	7	**193,552**	42,009
Share-based compensation	7	**161,300**	-
Net loss and comprehensive loss		**(480,377)**	(78,717)
Basic and diluted loss per share (*)		**(0.13)**	(0.04)
Weighted average number of common shares outstanding -basic and diluted (*)		**3,612,436**	2,073,240

(*) In November 2020, the Company's common shares were consolidated on a 2.5:1 basis (see Note 11). Except for the loss per share amounts, all common shares in these financial statements are presented on a pre-consolidation basis.

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

Bright Minds Biosciences Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital						
	Number of shares	**Share capital**	**Subscriptions receivable**	**Subscriptions received**	**Reserves**	**Deficit**	**Total**
		$	$	$	$	$	$
Balance at May 31, 2019 (date of incorporation)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Incorporator share	1	-	-	-	-	-	-
Private placement	10,199,000	203,980	(81,980)	-	-	-	122,000
Acquisition of intangible assets	100,000	2,000	-	-	-	-	2,000
Net loss	-	-	-	-	-	(78,717)	(78,717)
Balance as at September 30, 2019	**10,299,001**	**205,980**	**(81,980)**	**-**	**-**	**(78,717)**	**45,283**
Private placement	1,559,847	779,924	80,980	147,426	-	-	1,008,330
Share issue costs	-	(5,243)	-	-	-	-	(5,243)
Share-based compensation	-	-	-	-	161,300	-	161,300
Net loss	-	-	-	-	-	(480,377)	(480,377)
Balance as at September 30, 2020	**11,858,848**	**980,661**	**(1,000)**	**147,426**	**161,300**	**(559,094)**	**729,293**

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

Bright Minds Biosciences Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended September 30, 2020	For the period ended September 30, 2019
	$	$
Operating activities		
Net loss for the period	**(480,377)**	(78,717)
Non-cash items:		
Share-based compensation	**161,300**	-
Changes in non-cash operating working capital items:		
Prepaids	**(78,287)**	-
Accounts payable and accrued liabilities	**108,972**	36,708
Net cash used in operating activities	**(288,392)**	(42,009)
Financing activities		
Private placement proceeds	**1,008,330**	122,000
Net cash from financing activities	**1,008,330**	122,000
Change in cash	**719,938**	79,991
Cash, beginning of period	**79,991**	-
Cash, end of period	**799,929**	79,991
Supplementary Information		
Acquisition of intangible assets by issuing common shares	**-**	2,000
Share issue costs included in accounts payable	**5,243**	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Bright Minds Biosciences Inc. ("the Company") was incorporated under the Business Corporations Act of British Columbia on May 31, 2019. The Company's objective is to generate income and achieve long term profitable growth through the development of therapeutics to improve the lives of patients with certain severe and life-altering diseases. The head office, and principal address of the Company are located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, Canada.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2020, the Company is not able to finance day to day activities through operations and has incurred a loss of $480,377 for the year ended September 30, 2020. The Company has a deficit of $559,094 since inception and negative operating cash flows. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with equity financings, loans from directors and companies controlled by directors and/or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below.

These financial statements were approved and authorized for issue by the Board of Directors on January 28, 2021.

Basis of preparation
Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these financial statements is cost, net realizable value, fair value or recoverable amount. These financial statements, except for the statement of cash flows, are based on the accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These financial statements include the accounts of the Company and its inactive, wholly-owned subsidiary Psilocybinlabs Ltd (see Note 4). A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial results of the Company's subsidiary are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of the Company's subsidiary have been aligned with the policies adopted by the Company. When the Company ceases to control a subsidiary, the financial statements of that subsidiary are de-consolidated.

Inter-company balances and transactions, and any income and expenses arising from inter-company transactions, have been eliminated in these financial statements.

Critical accounting estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain of the Company’s accounting policies and disclosures require key assumptions concerning the future and other estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or disclosures within the next fiscal year. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability. The critical accounting estimates and judgments set out below have been applied consistently to all periods presented in these financial statements.

Ability to continue as a going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgments.

Business acquisitions

IFRS 3, Business Combinations requires that acquisition transactions be assessed to determine whether the acquisition is a business combination (by satisfying the three elements - input, process and output - of a business) or an asset acquisition. This assessment process requires management to exercise judgement. If management determines that the acquisition is a business combination, judgement is required in measuring the fair value of the assets acquired, equity instruments issued and liabilities and contingent liabilities incurred or assumed. See Note 4.

Share-based compensation

The fair value of stock options is measured using a Black Scholes option pricing model. Measurement inputs include the common share price on the grant date, the exercise price of the instrument, the expected common share price volatility, the weighted average expected life of the instruments, the expected dividends and the risk-free interest rate. Service and non-market performance conditions are not taken into account in determining fair value. The fair value of equity settled RSUs is measured based on management's best estimate of the Company's share price on the grant date.

The share-based compensation recognized is also determined based on management’s grant date estimate of the forfeitures that are expected to occur over the life of the stock options and equity settled RSUs. Cash settled RSUs outstanding are fair valued using a mark-to-market calculation based on the Company’s closing common share price at the end of the period. The number of stock options and RSUs that actually vest could differ from the estimated number of awards expected to vest and any differences between the actual and estimated forfeitures are recognized prospectively as they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation
The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction date. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

Business combinations
The Company uses the acquisition method to account for business combinations. The Company measures goodwill as the fair value of the consideration transferred, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a gain on acquisition is recognized immediately in net income or loss.

Goodwill is not amortized and is tested for impairment annually. Additionally, goodwill is reviewed at each reporting date to determine if events or changes in circumstances indicate that the asset might be impaired, in which case an impairment test is performed. Goodwill is measured at cost less accumulated impairment losses.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Internally generated intangible assets - Research and development expenditure
Intangible assets acquired separately are initially recognized at cost. Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

At September 30, 2020 and 2019, the Company has not recognized any internally-generated intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based compensation awards
Share-based compensation expense relates to stock options as well as cash and equity settled restricted share units ("RSUs"). The grant date fair values of stock options and equity settled RSUs granted are recognized as an expense, with a corresponding increase in reserves in equity, over the vesting period. The amount recognized as an expense is based on the estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Upon exercise of stock options, the consideration paid by the holder is included in share capital and the related reserves associated with the stock options exercised is reclassified into share capital. Upon vesting of equity settled RSUs, the related reserves associated with the RSU is reclassified into share capital.

For cash settled RSUs, the fair value of the RSUs is recognized as share-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest. Cash settled RSUs are measured at their fair value at each reporting period on a mark-to-market basis. Upon vesting of the cash settled RSUs, the liability is reduced by the cash payout.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost within net income or loss.

Income taxes
Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Deferred tax:
Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. The loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company incurred net losses, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals loss per share.

Share capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new common shares are recognized as a deduction from equity, net of tax.

Financial instruments
Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(a) Recognition and measurement of financial assets
The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets
The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL").

(i) Financial assets measured at amortized cost
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income or loss.

(iii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is initially recognized at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company's cash is classified as subsequently measured at FVTPL.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income or loss.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial liabilities

(i) Financial liabilities measured at amortized cost

A financial liability measured at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities are classified as subsequently measured at amortized cost.

(ii) Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company recognizes in the statement of comprehensive income or loss, as an impairment loss (or gain), the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Leases
Leases are accounted for in accordance with IFRS 16, "Leases". At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

Right-of-use asset
The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made and any initial direct costs incurred at or before the commencement date, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability
A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2020 and have not been applied in preparing these financial statements. The following new standards have not been adopted which may impact the Company in the future:

IFRS 3 – Business combinations
Narrow-scope amendments to IFRS 3 were issued in October 2018 and apply to annual reporting periods beginning on or after January 1, 2020. The amendments clarify the definition of a business, provide guidance in determining whether an acquisition is a business combination or a combination of a group of assets, emphasize that the output of a business is to provide goods and services to customers and provide a supplementary guidance.

IAS 1 – Presentation of financial statements
An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

4. SHARE EXCHANGE

Psilocybinlabs Ltd. ("PL") was incorporated under the laws of the province of British Columbia on April 25, 2019, with the incorporator share being held by a company controlled by the CEO of the Company. On May 17, 2019, this share was transferred to the Company. On April 25, 2019, PL entered into a confirmatory assignment and waiver (the "CAW") with an individual, which was amended and restated on May 17, 2019. Pursuant to the amended and restated CAW, this individual assigned all of the right, title and interest, including all other intellectual property rights (the Rights, as described) to PL. As compensation for the assignment of the Rights, PL issued 100,000 common shares valued at $2,000 to this individual. On August 7, 2019, the Company then purchased the 100,000 common shares of PL by issuing 100,000 common shares of the Company valued at $2,000.

The Company has recorded the reacquisition of PL as an asset acquisition as follows:

Purchase Price Consideration:	
	$
Common shares issued	2,000
Assets acquired:	
Intangible assets	2,000

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2020	**September 30, 2019**
	$	**$**
Accounts payable	138,423	36,708
Accrued liabilities	12,500	-
Total accounts payable and accrued liabilities	150,923	36,708

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital for the year ended September 30, 2020
On September 30, 2020, the Company closed the first tranche of a non-brokered private placement financing through the issuance of 1,559,847 common shares at a price $0.50 per common share for gross proceeds of $779,924.

Issued share capital from May 31, 2019 (date of incorporation) to September 30, 2019
On July 30, 2019, the Company closed a non-brokered private placement financing through the issuance of 10,199,000 Units at a price of $0.02 per Unit for gross proceeds of $203,980. Of this amount, $80,980 was received subsequent to year end. Each Unit comprises one common share, and one share purchase warrant exercisable at $0.05 per share until July 31, 2024.

See Note 4 for common shares issued on August 7, 2019.

Share subscriptions received/receivable
During the fiscal year ended September 30, 2020, the Company received $147,426 in subscriptions for 294,852 common shares relating to a private placement that closed on November 2, 2020. See Note 11.

On July 31, 2019, 4,049,000 common shares were issued for which the gross proceeds of $80,980 were received on October 7, 2019 and September 28, 2020.

Stock options
The Company's stock option plan provides for stock options to be issued to directors, officers, employees and consultants of the Company, its subsidiaries and any personal holding company of such individuals so that they may participate in the growth and development of the Company. Subject to the specific provisions of the stock option plan, eligibility, vesting period, terms of the options and the number of options granted are to be determined by the Board of Directors at the time of grant. The stock option plan allows the Board of Directors to issue up to 10% of the Company's outstanding common shares as stock options.

On July 23, 2020, the Company granted 375,000 options to the Company's Chief Medical Officer.

The following table summarizes the movements in the Company's outstanding stock options:

	Number of options	Weighted average exercise price
Balance at May 31, 2019	-	-
Granted	-	-
Balance at September 30, 2019	-	-
Granted	375,000	**$** 0.50
Balance at September 30, 2020	**375,000**	**$ 0.50**

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	September 30, 2019	Granted	Exercised	Expired/ Cancelled	September 30, 2020
July 23, 2025	$ 0.50	-	375,000	-	-	375,000
Exercisable		-	**375,000**	-	-	**375,000**
Weighted average exercise price		**$ -**	**$ 0.50**	**$ -**	**$ -**	**$ 0.50**

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock options (continued)

The fair vale of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $0.50; ii) share price: $0.50; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 0.35%; and dividends: nil.

The weighted-average remaining life of the outstanding options was 4.81 years.

Restricted share unit plan
The Company's restricted share unit ("RSU") plan provides RSUs to be issued to directors, officers, employees and consultants of the Company, its subsidiaries and any personal holding company of such individuals so that they may participate in the growth and development of the Company. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSUs and the number of RSUs granted are to be determined by the Board of Directors at the time of the grant. The RSU plan allows the Board of Directors to issue common shares of the company as equity settled RSUs, provided that, when combined, the maximum number of common shares reserved for issuance under all share-based compensation arrangements of the Company does not exceed 10% of the Company's outstanding common shares.

On July 23, 2020 and September 18, 2020, the Company issued 375,000 RSUs and 575,000 RSUs, respectively, to the Chief Medical Officer of the Company. These RSUs vest on an annual basis over a period of four years commencing on the first anniversary of the grant date.

Should the Company continue not to be a reporting issuer in a province in Canada on the date that is nine months from the date of issuance of the RSUs, all RSUs will vest on such date.

The following table summarizes the movements in the Company's outstanding RSUs:

	Equity settled	Cash settled	Total
Balance at May 31, 2019	-	-	-
Granted	-	-	-
Balance at September 30, 2019	-	-	-
Granted	950,000	-	950,000
Vested	-	-	-
Balance at September 30, 2020	950,000	-	950,000

The estimated fair value of the equity settled RSUs granted during the year ended September 30, 2020 was $475,000 (period ended September 30, 2019 - $nil) and will be recognized as an expense over the vesting period of the RSUs.

The accounting fair value of the equity settled RSUs as at the grant date was estimated by management using the following inputs:

	Year ended September 30, 2020	Period ended September 30, 2019
Share price on grant date	$ 0.50	$ -
Forfeiture rate	0%	-

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Restricted share unit plan (continued)

Share-based compensation expense recognized in the consolidated statements of comprehensive loss is comprised of the following:

	Year ended September 30, 2020	Period ended September 30, 2019
Stock options	$ 138,000	$ -
Restricted share units – equity settled grants	23,300	-
Total equity settled share-based compensation expense	161,300	-
Restricted share units – cash settled grants	-	-
Total share-based compensation expense	$ 161,300	$ -

Warrants

The following table summarizes the movements in the Company's outstanding warrants:

	Number of warrants	Weighted average exercise price
Balance at May 31, 2019	-	-
Issued	-	-
Balance at September 30, 2019	-	-
Issued	10,199,000	**$** 0.05
Balance at September 30, 2020	**10,199,000**	**$ 0.05**

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	September 30, 2019	Issued	Exercised	Expired/ Cancelled	September 30, 2020
July 30, 2024	$ 0.05	-	10,199,000	-	-	10,199,000
		-	**10,199,000**	**-**	**-**	**10,199,000**
Weighted average exercise price		**$ -**	**$ 0.05**	**$ -**	**$ -**	**$ 0.05**

The weighted average remaining life of outstanding warrants was 3.83 years.

On November 2, 2020, the Directors of the Company reduced the exercise price of the outstanding warrants from $0.05 to $0.02 effective July 11, 2020.

7. RELATED PARTY TRANSACTIONS

Related party transactions were recorded at the exchange value, which is the consideration determined and agreed to by the related parties. The Company's related parties include directors, key management and companies controlled by directors and key management.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (continued)

Compensation of Key Management Personnel

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company.

The following table summarizes expenses related to key management personnel:

	Year ended September 30, 2020	Period ended September 30, 2019
	$	$
Professional fees	**22,575**	-
Research and development	**26,777**	-
Share-based compensation (1)	**161,300**	-
	210,652	-

(1) The total fair value of stock options and RSUs granted to key management personnel for the year ended September 30, 2020 was equal to $613,000 (period ended September 30, 2019 - $nil), which is being recognized in profit or loss over the stock option's and RSU's vesting period.

See Notes 4 and 6.

On June 5, 2020, the Company entered into an independent consultant agreement (the "ICA") whereby the consultant, a private corporation incorporated in the State of California, USA, was engaged and the consultant's representative will serve as the Company's Chief Medical Officer, with the services being provided in California. As compensation for performing these services, the consultant or the consultant's representative will participate in the Company's equity incentive plans and will be eligible for cash payments in respect of fees at such time as the Company begins to compensate other C-level personnel in cash and in similar proportion to total compensation (the "fees"). The non-cash portion of the consultant's fees for the first year of the term was in the form of a grant of 375,000 vested stock options and 375,000 RSUs (see Note 6). The services will continue for an initial term of one year unless sooner terminated. The ICA can be terminated by either party giving the other 30 days written notice or by mutual written agreement. At the end of the initial term, the ICA will automatically be extended for additional one-year period(s) unless either party gives the other 30 days written notice.

8. CONTRACTUAL OBLIGATIONS

Option agreement

On May 26, 2020, the Company entered into an option agreement (the "OA") with the University of Illinois at Chicago (the "UIC") whereby the Company obtained the right to evaluate certain of the UIC's technology (as defined) for the purpose of making a decision as to whether to exclusively license the rights to the technology. Pursuant to the OA, the Company paid a US$5,000 ($6,999) non-refundable option fee and was granted an exclusive option to evaluate the technology and obtain an exclusive license to the patents and patent applications (as listed) and a non-exclusive right to use the technology for non-commercial research purposes. The option expires on the earlier of 90 days or the execution of a license agreement between the Company and the UIC. The company can extend the first option period three additional times for an additional 90 days each with payment of a US$5,000 option extension fee for each 90-day option period. During the option period and any renewals thereof, the Company must pay all out of pocket expenses incurred by the UIC in connection with the preparation, filing, prosecution and maintenance of the patent applications and patents under the patent rights.

(Expressed in Canadian Dollars)

8. CONTRACTUAL OBLIGATIONS (continued)

On July 6, 2020, the Company paid a US$5,000 ($6,896) option extension fee. As at September 30, 2020, no amounts were payable to the UIC in respect of out of pocket expenses incurred.

Scientific advisory board agreements

On June 1, 2020 and July 14, 2020, the Company entered into scientific advisory board agreements (the "SABAs") whereby the advisors were retained to serve as members of the Company's scientific advisory board and as consultants to the Company and senior management in the areas of scientific, technical and business advice. As compensation for performing these services, the Company will grant one advisor an option package of 75,000 shares at an exercise price of $0.50 *(see note 11)* and both advisors will be paid an hourly rate of $150 per hour. Both advisors have the same hour requirements and restrictions as noted below. The services will continue for initial terms of one year unless sooner terminated. At the end of the initial terms, the SABAs will automatically be extended for an additional one-year period(s) unless either party gives the other 30 days written notice.

Consulting agreements

On August 15, 2020, the Company entered into six consulting agreements (the "CAs") whereby the consultants were retained to serve as advisors to the Company and senior management in the areas of public relations and content creation and scientific, technical and business advice. As compensation for performing these services, the Company will grant three advisors options of the Company *(see note 11)* and three advisors will be paid hourly rates of $300, $400 and $600. The advisors being paid $400 and $600 per hour will reserve at least six full days of services to the Company and such additional days as requested by the Company each annual period, but not to exceed 36 full days of service per year unless otherwise agreed and up to a maximum of 288 hours total per year, unless otherwise agreed. The services will continue for initial terms of one year unless sooner terminated. At the end of the initial terms, the CAs will automatically be extended for an additional one-year period(s) unless either party gives the other 30 days written notice.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities:

	September 30, 2020	September 30, 2019
FVTPL	**$**	**$**
Cash	799,929	79,991
Amortized cost		
Accounts payable and accrued liabilities	150,923	36,708

Fair value measurement

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Fair value measurement (continued)

The Company's cash is classified as Level 1, whereas accounts payable and accrued liabilities are classified as Level 2. As at September 30, 2020, the Company believes that the carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial risk management
The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash balance. At September 30, 2020, the Company had cash of $799,929. Of this amount, $596,839 was held in two trust accounts and $203,090 was deposited in a bank account held with a major bank in Canada. Because of the balance on deposit with one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The credit risk is assessed as low.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. At September 30, 2020, the company had the following foreign currency balances – cash (US$9,994) and accounts payable (US$27,840). The Company is not exposed to significant foreign exchange risk.

Liquidity risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. At September 30, 2020, the company had cash of $799,929 to cover current liabilities of $150,923.

Capital Management
Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2020.

(Expressed in Canadian Dollars)

10. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2020	September 30, 2019
	$	$
Net loss	(480,377)	(78,717)
Statutory tax rate	27%	27%
Expected income tax recovery	(129,702)	(21,254)
Deductible and non-deductible items	42,136	-
Change in deferred tax assets not recognized	87,566	21,254
Total income tax recovery	-	-

The Company has the following deductible temporary differences for which no deferred tax has been recognized:

	September 30, 2019	September 30, 2019
	$	$
Non-capital losses	403,000	79,000
Share issue costs	4,000	-
Intangible assets	(2,000)	(2,000)
Valuation allowance	(405,000)	(77,000)
Net deferred income tax assets	-	-

The Company has non-capital losses of approximately $403,000 which may be carried forward and applied against taxable income in future years. These losses, if not utilized, will expire through to 2040. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements and have been offset by a valuation allowance.

The Company's non-capital loss carry-forwards expire as follows:

Year of Origin	Year of Expiry	Non-Capital Losses
		$
2019	2039	79,000
2020	2040	324,000
		403,000

11. SUBSEQUENT EVENTS

On October 9, 2020, the Company entered into a consulting agreement whereby the consultant was retained to serve as an advisor to the Company in the areas of scientific, technical and business advice. As compensation for performing these services, the Company will pay the advisor an hourly rate of US$130.

11. SUBSEQUENT EVENTS (continued)

In October 2020, the Company entered into subscription agreements for special warrants (the "SWs") whereby the subscribers subscribed for a total of 45,750 SWs at $0.50 per SW. Pursuant to the subscription agreements:

- The SWs will provide that each SW is deemed to be exercised, without payment of any additional consideration and without any further action by the SW holders, for one SW share, subject to adjustment in accordance with the provisions of the SW certificate on the SW exercise date, being the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares issuable on the conversion of the SWs and (ii) four months and one day after the issue date of the SWs (the escrow release conditions). For greater certainty, no SWs may be exercised by the SW holders prior to the SW exercise date;
- The SW certificate will provide that the gross proceeds of the offering due on the closing date (the escrowed proceeds) will be delivered to and held in escrow on behalf of the subscribers by the Company in a segregated, interest bearing account. Upon and subject to the satisfaction of one of the escrow release conditions, the escrowed proceeds and accrued interest will be released to the Company, at which time each SW will be deemed to be exercised for one SW share. The deemed exercise of the SWs is expected to occur prior to the proposed listing of the common shares of the Company on the Canadian Securities Exchange, with delivery of the subscribers' SW shares taking place after the completion of the proposed listing, such that the subscribers will receive a share certificate or DRS statement representing the subscribers' SW shares once the Company is a public company under the applicable securities laws;
- If the SW exercise date does not occur within 365 days after closing of the offering, the SWs will immediately become null, void and of no further effect and within 10 days the escrowed proceeds will be returned to the SW holders in an amount per SW equal to the subscribers' aggregate offering price and a pro rata share of interest, if any, actually earned on the escrowed proceeds. To the extent that the escrowed proceeds plus accrued interest are insufficient to return to each holder an amount equal to the aggregate offering price for each such holders' SWs, the Company will contribute such amounts as are necessary to satisfy any shortfall and such funds will be delivered to the SW holders on a pro rata basis; and
- The SWs will be governed by the terms and conditions of the SW certificate.

On October 29, 2020, the Company entered into an independent contractor agreement (the “ICA”) whereby the contractor was engaged to serve as the Company’s Chief Science Officer on an as-needed basis. The contractor will be compensated for these services as determined by the Board of Directors of the Company. The services will continue for an initial term of one year unless sooner terminated. The ICA can be terminated by the Company providing five working days written notice, the contractor providing three months’ written notice or by mutual written agreement. At the end of the initial term, the ICA will automatically be extended for additional one-year period(s) unless the Company provides contractor with 30 days written notice.

On November 2, 2020, the Company issued 45,750 SWs at $0.50 per SW for gross proceeds of $22,875, which have been received.

On November 2, 2020, the Company closed the second tranche of a non-brokered private placement financing through the issuance of 4,072,843 common shares at a price $0.50 per common share for gross proceeds of $2,036,422, which have been received.

On November 6, 2020, the Company entered into a sponsored research agreement (the “SRA”) with the University of Texas Medical Branch (the “UTMB”) whereby the UTMB will conduct a research program on behalf of the Company. Pursuant to the SRA, the agreement is effective as of October 15, 2020 and the research program will be carried out through to and including February 15, 2021. As consideration for UTMB’s performance, the Company will pay US$66,764 of which US$55,811 ($74,968) was paid on September 21 and 22, 2020 and is included in prepaids at September 30, 2020. The SRA may be terminated by either party providing 30 days written notice to the other and may be extended under mutually agreeable terms.

11. SUBSEQUENT EVENTS (continued)

On November 10, 2020, the Directors of the Company approved the consolidation of the Company's issued and outstanding common shares on a 2.5:1 basis.

On November 17, 2020, the Company entered into an ICA whereby the contractor was engaged to serve as the Company's Vice President (Discovery). The contractor will be compensated for these services as determined by the Board of Directors of the Company. The services will continue for an initial term of one year unless sooner terminated. The ICA can be terminated by the Company providing five working days written notice, the contractor providing three months' written notice or by mutual written agreement. At the end of the initial term, the ICA will automatically be extended for additional one-year period(s) unless the Company provides contractor with 30 days written notice.

On November 17, 2020, the Company granted 467,000 options, on a post-consolidated basis, to the Chief Financial Officer of the Company, two directors of the Company and seven consultants. These options have an exercise price of $1.25 per share, expire on November 17, 2025 and vest as follows:

- 25,000 options – 100% on the date of grant;
- 14,000 options – 25% on the Company's listing date, 25% on the first anniversary of the listing date and 50% on the second anniversary of the listing date;
- 4,000 options – 50% on the Company's listing date and 50% on the six-month anniversary of the listing date; and
- 424,000 options – 33% on the first anniversary of the grant date, 33% on the second anniversary of the grant date and 33% on the third anniversary of the grant date.

On January 6, 2021, the Company issued 14,799 common shares, on a post-consolidated basis, at a deemed price of $1.25 per share to settle an $18,500 debt owing to a consultant pursuant to a debt settlement agreement entered into by the Company with the consultant.

On January 19, 2021, as a result of a compliance review of the SW offering by the British Columbia Securities Commission, the Company rescinded the issuance of 5,750 SWs and refunded the $2,875 in proceeds received.

On January 21, 2021, the Company cancelled 20,000 options granted to a consultant in error on November 17, 2020.

This Management Discussion and Analysis (this "MD&A") provides a detailed analysis of the business of Bright Minds Biosciences Inc. (the "Company") and describes the Company's financial results for the years ended September 30, 2020 and the period from May 31, 2019 (date of incorporation) to September 30, 2019. This MD&A should be read in conjunction with the audited financial statements of the Company and related notes. Refer to Note 3 of the audited financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollars.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A is dated as of January 28, 2021 and has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation) and involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "can", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding the Company's business, objectives, ability to continue as a going concern, expectation to raise funds through equity financings and additional investment opporuntities, ablility to maintain operations, ability to satisfy capital requirements, capital expenditures, capital management, timelines, strategic plans, or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include, among other things, uncertainties involved in disputes and litigation; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of the date of this MD&A and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

BACKGROUND

The Company was incorporated under the *Business Corporations Act* of British Columbia on May 31, 2019. The Company's objective is to generate income and achieve long term profitable growth through the development of therapeutics to improve the lives of patients with certain severe and life-altering diseases. The head office, and principal address of the Company are located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, Canada.

ACQUISITION OF PSILOCYBINLABS LTD.

Psilocybinlabs Ltd. ("PL") was incorporated under the laws of the province of British Columbia on April 25, 2019, with the incorporator share being held by a company controlled by the Chief Executive Officer of the Company. On May 17, 2019, this share was transferred to the Company. On April 25, 2019, PL entered into a confirmatory assignment and waiver (the "CAW") with an individual, which was amended and restated on May 17, 2019. Pursuant to the amended and restated CAW, this individual assigned all of the right, title and interest, including all other intellectual property rights (the "Rights", as described in the CAW) to PL. As compensation for the assignment of the Rights, PL issued 100,000 common shares valued at $2,000 to this individual. On August 7, 2019, the Company then purchased the 100,000 common shares of PL by issuing 100,000 common shares of the Company valued at $2,000.

OPTION AGREEMENT

On May 26, 2020, the Company entered into an option agreement (the "OA") with the University of Illinois at Chicago (the "UIC") whereby the Company obtained the right to evaluate certain of the UIC's technology (as defined by the OA) for the purpose of making a decision as to whether to exclusively license the rights to the technology. Pursuant to the OA, the Company paid a non-refundable option fee of US$5,000 ($6,999) and was granted an exclusive option to evaluate the technology and obtain an exclusive license to the patents and patent applications (as listed in the OA) and a non-exclusive right to use the technology for non-commercial research purposes. The option expires on the earlier of 90 days or the execution of a license agreement between the Company and the UIC. The company can extend the first option period three additional times for an additional 90 days each with payment of an option extension fee of US$5,000 ($6,896) for each 90-day option period. During the option period and any renewals thereof, the Company must pay all out of pocket expenses incurred by the UIC in connection with the preparation, filing, prosecution and maintenance of the patent applications and patents under the patent rights. On July 6, 2020, the Company paid an option extension fee of US$5,000 ($6,896). As at September 30, 2020, no amounts were payable to the UIC in respect of out of pocket expenses incurred.

ANNUAL HIGHLIGHTS

- Raised gross proceeds of $203,980 through the issuance of 4,079,600 Units;
- Raised gross proceeds of $779,924 through the issuance of 623,939 common shares; and
- Worked on completing two additional private placements which closed subsequent to September 30, 2020 for gross proceeds received of $2,059,297.

OVERALL PERFORMANCE

The Company incurred a net loss of $480,377 during the year ended September 30, 2020, primarily driven by various activities and related expenses in ramping up the Company's operations. The Company expects to continue to raise additional funds through equity financings and seek additional investment opportunities to further the development of therapeutics to improve the lives of patients with certain severe and life-altering diseases.

LIQUIDITY AND CAPITAL RESOURCES

To date, operations have been financed through the issuance of equity securities. The Company reviews it's working capital position and expected position to manage its liquidity, ensuring that the Company has sufficient cash to meet operational needs.

The Company will require additional capital to fund R&D activities and any significant expansion of operations. Potential sources of capital could include equity financing , government funding opportunities and/or new strategic partnership agreements to fund some or all costs of development. There can be no assurance that the Company will be able to obtain the capital sufficient to meet any or all of the Company's needs. The availability of equity or debt financing will be affected by, among other things, the results of our R&D, our ability to obtain regulatory approvals, the market acceptance of our development milestones, the state of the capital markets generally, strategic alliance agreements and other relevant commercial considerations. In addition, if the Company raises additional funds by issuing equity securities, the existing security holders will likely experience dilution, and any incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict the Company's operations. Any failure on the Company's part to raise additional funds on terms favorable or at all may require the Company to significantly change or curtail the current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in the Company not taking advantage of business opportunities, in the termination or delay of clinical trials for our products or in curtailment of the product development programs designed.

On January 6, 2021, the Company issued 14,799 common shares, on a post-consolidated basis, at a deemed price of $1.25 per share to settle an $18,500 debt owing to a consultant pursuant to a debt settlement agreement entered into by the Company with the consultant.

On January 21, 2021, the Company cancelled 20,000 options granted to a consultant in error on November 17, 2020.

At September 30, 2020, the Company had working capital of $727,293, including cash of $799,929.

On September 30, 2020, the Company closed the first tranche of a non-brokered private placement financing through the issuance of 623,939 common shares at a price $1.25 per common share for gross proceeds of $779,924.

On November 2, 2020, the Company issued 18,300 special warrants at $1.25 per special warrant for gross proceeds of $22,875, which have been received. - On January 19, 2021, as a result of a compliance review of the special warrant offering by the British Columbia Securities Commission, the Company rescinded the issuance of 5,750 SWs and refunded the $2,875 in proceeds received.

On November 2, 2020, the Company closed the second tranche of a non-brokered private placement financing through the issuance of 1,629,137 common shares at a price $1.25 per common share for gross proceeds of $2,036,422, which have been received.

The Company's current and expected cash resources are sufficient to satisfy working capital requirements of running the operations for the following twelve months; however the Company has not realized a source of revenue therefore management will continue to seek new sources of capital to maintain its operations.

The financial statements of the Company have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

(All amounts expressed in Canadian dollars, unless otherwise stated)

Management believes that its expected cash resources will be sufficient to fund operations for the next twelve months of research and development while maintaining adequate working capital. The Company continually reassesses the adequacy of its cash resources, evaluating existing research projects and/or potential collaboration opportunities, to determine when and how much additional funding is required.

OUTSTANDING SHARE DATA

The Company's share capital as of date of this MD&A is:

	Balance
Shares issued and outstanding	6,387,478
Share purchase warrants	4,079,600
Restricted share units	380,000
Stock options	597,000
Special warrants	16,000

RESULTS OF OPERATIONS AND FOURTH QUARTER DISCUSSION

For the Three and Twelve Months Ended September 30, 2020
The Company incurred a net loss of $378,418 and $480,377 for the three and twelve months ended September 30, 2020 compared to a net loss of $78,717 for the comparable periods. All prior year activity occurred in the final quarter of the September 30, 2019 period end. The Company increased its overall research and development activity with supporting consulting work over the previous period which lead to the overall increased net loss for the periods. The Company had raised signicant funds through private placements in the fourth quarter of the September 30, 2020 fiscal year which allowed the Company to deploy these funds into continued research and development. In the comparable fourth quarter, the Company was gradually ramping up operations and not spend as much on research and development and acconrdingly, overall net loss was lower in the previoys year. The Company will experience increased expenditures in research and development, and increased overhead when it eventually lists on a Canadian public stock exchange. The Company will require continued capital raises through private placements, debt facilities and related party loans as required.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	$	$	$	$
Net profit (loss)	(378,418)	(53,822)	(6,142)	(41,995)
Basic profit (loss) per share	(0.09)	(0.01)	(0.00)	($0.01)
Diluted profit (loss) per share	(0.04)	(0.00)	(0.00)	(0.01)

	September 30, 2019	May 31, 2019 (date of incorporation) to June 30, 2019

	$	$
Net profit (loss)	(78,717)	(0.00)
Basic profit (loss) per share	(0.04)	(0.00)
Diluted profit (loss) per share	(0.04)	(0.00)

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEAR

	For the Year Ended September 30, 2020	May 31, 2019 (date of incorporation) to September 30, 2019
	$	$
Income Statement		
Sales	Nil	Nil
Net profit (loss)	(480,377	(78,717)
Loss per share (basic and diluted)	(0.13)	(0.04)
Balance Sheet		
Total assets	880,216	36,708
Total long-term liabilities	Nil	Nil
Dividends	Nil	Nil

The Company completed two fiscal years and observed the following trends. Net loss increased as the Company was active in it's research and development activities in the current year. Total assets increased as a result of increased working capital position overall as a result of private placement closings.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities:

	September 30, 2020	September 30, 2019
	$	**$**
FVTPL		
Cash	**799,929**	**79,991**
Amortized cost		
Acounts payable and accrued liabilities	**150,923**	**36,708**

Fair value measurement

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's cash is classified as Level 1, whereas accounts payable and accrued liabilities are classified as Level 2. As at September 30, 2020, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash balance. At September 30, 2020, the Company had cash of $799,929. Of this amount, $596,839 was held in two trust accounts and $203,090 was deposited in a bank account held with a major bank in Canada. Because of the balance on deposit with one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The credit risk is assessed as low.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. At September 30, 2020, the company had the following foreign currency balances – cash (US$9,994) and accounts payable (US$27,840). The Company is not exposed to significant foreign exchange risk.

Liquidity risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. At September 30, 2020, the company had cash of $799,929 to cover current liabilities of $150,923.

Capital Management
Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2020.

(All amounts expressed in Canadian dollars, unless otherwise stated)

RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company. All compensation is meausured at fair market value.

The following table summarizes expenses related to key management personnel:

	For the year ended	
	September 30, 2020	**September 30, 2019**
	$	$
Professional fees[(1)]	**22,575**	-
Research and development[(2)]	**26,777**	-
Share-based compensation[(2)]	**161,300**	-
	210,652	-

Notes:
(1) Professional fees paid to Midland Management Ltd., which is owned by Ryan Cheung, the Chief Financial Officer of the Company.
(2) The total fair value of stock options and RSUs granted to Dr. Revati Shreeniwas, Chief Medical Officer for the Company, for the year ended September 30, 2020 was equal to $613,000 (period ended September 30, 2019 - $nil), which is being recognized in profit or loss over the stock option's and RSU's vesting period. In addition, Dr. Revati Shreeniwas was paid $26,777 for services rendered to the Company pursuant to a consulting services agreement.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates
The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain of the Company's accounting policies and disclosures require key assumptions concerning the future and other estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or disclosures within the next fiscal year. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability. The critical accounting estimates and judgments set out below have been applied consistently to all periods presented in these financial statements.

CHANGES IN ACCOUNTING POLICIES

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2020 and have not been applied in preparing these financial statements. The following new standards have not been adopted which may impact the Company in the future:

IFRS 3 – Business combinations
Narrow-scope amendments to IFRS 3 were issued in October 2018 and apply to annual reporting periods beginning on or after January 1, 2020. The amendments clarify the definition of a business, provide guidance in determining whether an acquisition is a business combination or a combination of a group of assets, emphasize that the output of a business is to provide goods and services to customers and provide a supplementary guidance.

IAS 1 – Presentation of financial statements
An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

EXHIBIT B

AUDIT COMMITTEE CHARTER

BRIGHT MINDS BIOSCIENCES INC.
CHARTER OF THE AUDIT COMMITTEE

PURPOSE AND PRIMARY RESPONSIBILITY

1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Bright Minds Biosciences Inc. (the "**Company**"), annual evaluation and compliance with this charter.

2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

MEMBERSHIP

3. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

4. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

5. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

6. The Chair of the Audit Committee will be appointed by the Board.

AUTHORITY

7. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

DUTIES AND RESPONSIBILITIES

8. The duties and responsibilities of the Audit Committee include:

(i) recommending to the Board the external auditor to be nominated by the Board;

(ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(iv) overseeing the work of the external auditor;

(v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

(vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

(ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

(x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

(xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

(xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

(xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

(xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

(xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

(xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

(xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(xix) resolving disputes between management and the external auditor regarding financial reporting;

(xx) establishing procedures for:

1. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

(xxiv) establishing procedures for:

3. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

4. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

5. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

6. reviewing fraud prevention policies and programs, and monitoring their implementation;

7. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(I) Tax and financial reporting laws and regulations;

(II) Legal withholding requirements;

(III) Environmental protection laws and regulations; and

(IV) Other laws and regulations which expose directors to liability;

9. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

10. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

MEETINGS

11. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

12. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

13. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

14. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

15. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

16. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a

meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

REPORTS

17. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

18. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

MINUTES

19. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

ANNUAL PERFORMANCE EVALUATION

20. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

CERTIFICATE OF THE COMPANY

Dated: January 28, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of British Columbia, Alberta, Manitoba, and Ontario.

"Ian McDonald"
Ian McDonald
Chief Executive Officer, President and Director

"Ryan Cheung"
Ryan Cheung
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Alan Kozikowski"
Alan Kozikowski
Director

"Nils Christian Bottler"
Nils Christian Bottler
Director

CERTIFICATE OF THE PROMOTERS

Dated: January 28, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of British Columbia, Alberta, Manitoba, and Ontario.

"Ian McDonald"
Ian McDonald
Promoter

"Alan Kozikowski"
Alan Kozikowski
Promoter