UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended **September 30, 2022**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the transition period from _______________ to _______________

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

Date of event requiring this shell company report _______________

Commission file number **001-40997**

BRIGHT MINDS BIOSCIENCES INC.
(Exact name of Registrant specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

British Columbia, Canada
(Jurisdiction of incorporation or organization)

19 Vestry Street, New York, NY 10013
(Address of principal executive offices)

Ian McDonald; (647) 407-2515; ian@brightmindsbio.com
19 Vestry Street, New York, NY 10013
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class	*Trading Symbol(s)*	*Name of each exchange on which registered*
Common Shares	***DRUG***	***The Nasdaq Stock Market LLC***

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of business of the period covered by the annual report.

17,592,359 Common Shares Without Par Value

Indicate by check mark if the Registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the *Securities Exchange Act of 1934*

Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "accelerated filer," "large accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐
Non Accelerated Filer ☒ Emerging Growth Company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b 2 of the Exchange Act):

Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the *Securities Exchange Act of 1934* subsequent to the distribution of securities under a plan confirmed by a court.

Not applicable.

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FORWARD LOOKING STATEMENTS

This Annual Report on Form 20-F contains statements that constitute "forward-looking statements". Any statements that are not statements of historical facts may be deemed to be forward-looking statements. These statements appear in a number of different places in this Annual Report and, in some cases, can be identified by words such as "anticipates", "estimates", "projects", "expects", "contemplates", "intends", "believes", "plans", "may", "will" or their negatives or other comparable words, although not all forward-looking statements contain these identifying words. Forward-looking statements in this Annual Report may include, but are not limited to:

- the duration and effects of COVID-19 and any other pandemics on the Company's workforce, business, operations and financial condition;
- the Company's expectations regarding the achievement of clinical and regulatory milestones;
- the executive compensation of the Company;
- the composition of the board of directors (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 growth rates, growth plans and strategies of the Company;
- expectations that the provisional patent applications will be refiled as regular patent applications or new provisional patent applications 12 months from their filing dates;
- the Company's strategy with respect to the expansion and protection of its intellectual property;
- the medical benefits, safety, efficacy, dosing and consumer acceptance of serotonergic therapeutics;
- the Company's ability to comply with provincial, federal, local and regulatory agencies in the United States, Canada and other jurisdictions in which the Company operates;
- 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 the Company's products and services; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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 investors 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 Item 3.D "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 be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products or technologies are being researched, developed, or commercialized;
- the Company may encounter substantial delays or difficulties with its clinical trial;
- clinical trials are very expensive, time consuming and difficult to design and implement;
- the Company's current and future clinical trials or those of its current or future collaborators may reveal significant adverse events not seen in pre-clinical and non-clinical studies and may result in a safety profile that could inhibit regulatory approval or market acceptance of any of the Company's product candidates.
- the Company has never successfully completed a clinical trial, and it may be unable to do so for any product candidates it develops;
- if the Company experience delays or difficulties in the enrolment of patients in clinical trials, receipt of regulatory approvals could be delayed or prevented;
- success in pre-clinical studies or clinical trials may not be predictive of results in future clinical trials;
- interim, "topline," and preliminary data from the Company's clinical trials that the Company announces or publishes from time to time may change as more patient data becomes available and are subject to audit and verification procedures that could result in material changes in the final data;
- the Company may not be successful in its efforts to identify, license or discover additional product candidates;
- risks associated with the development of the Company's products which are at early stages of development;
- 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 licenses thereto;
- the Company not achieve timelines for project development set out in this Annual Report;
- the Company faces product liability exposure;
- the Company has international operations, which subject the Company 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 risk of patent-related or other litigation;
- 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 and discretion 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; and
- dilution of Common Shares.

Although management 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 forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. These cautionary remarks expressly qualify, in their entirety, all forward-looking statements attributable to the Company or persons acting on the Company's behalf. The Company does not undertake to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as, and to the extent required by, applicable securities laws. Readers should carefully review the cautionary statements and risk factors contained in this Annual Report and other documents that the Company may file from time to time with the securities regulators.

PART I

The following discussion and analysis, prepared for the year ended September 30, 2022, is a review of our operations, current financial position and outlook and should be read in conjunction with our annual consolidated financial statements for the year ended September 30, 2022 and the notes thereto. We present our financial statements in Canadian dollars. All references to "C$" are to Canadian dollars and references to "US$" are to United States dollars. On September 29, 2022, the daily average exchange rate for the conversion of Canadian dollars into U.S. dollars as reported by the Bank of Canada was C$1.00 = US$0.73.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected financial data

The selected historical consolidated financial information set forth below has been derived from our financial statements for the fiscal years ended September 30, 2022, 2021, and 2020.

Consolidated Statement of Net Loss

	Year ended September 30, 2022	Year ended September 30, 2021	Year ended September 30, 2020
Revenues	$ Nil	$ Nil	$ Nil
Gross Profit	$ Nil	$ Nil	$ Nil
Net Loss	$ 14,962,941	$ 8,650,763	$ 480,377
Loss per Share - Basic and Diluted	$ (1.21)	$ (0.96)	$ (0.13)

Consolidated Statement of Financial Position

	Year ended September 30, 2022	Year ended September 30, 2021	Year ended September 30, 2020
Cash and cash equivalents	$11,627,913	$19,760,015	$799,929
Current Assets	$11,948,121	$20,038,368	$878,216
Total Assets	$12,086,984	$20,040,368	$880,216
Current Liabilities	$1,472,489	$638,573	$150,923
Total Liabilities	$1,544,472	$638,573	$150,923
Shareholders' Equity (Deficit)	$10,542,512	$19,401,795	$729,293

Our audited consolidated financial statements for the years ended September 30, 2022, 2021, and 2020 are attached at the end of this Annual Report.

B. <u>Capitalization and Indebtedness</u>

Not applicable.

C. <u>Reasons for the offer and use of proceeds</u>

Not applicable.

D. <u>Risk Factors</u>

An investment in our securities carries a significant degree of risk. You should carefully consider the following risks, as well as the other information contained in this Annual Report, including our historical and pro forma financial statements and the financial statements and related notes included elsewhere in this Annual Report, before you decide to purchase our securities. Any one of these risks and uncertainties has the potential to cause material adverse effects on our business, prospects, financial condition and operating results which could cause actual results to differ materially from any forward-looking statements expressed by us and a significant decrease in the value of our securities. Refer to "Forward-Looking Statements".

We may not be successful in preventing the material adverse effects that any of the following risks and uncertainties may cause. These potential risks and uncertainties may not be a complete list of the risks and uncertainties facing us. There may be additional risks and uncertainties that we are presently unaware of, or presently consider immaterial, that may become material in the future and have a material adverse effect on us. You could lose all or a significant portion of your investment due to any of these risks and uncertainties.

Risks Related to the Business of the Company

We have a limited operating history and have not yet generated any revenues.

We have a very limited history of operations and are considered a start-up company, which makes evaluating our business and future prospects difficult. As such, we are 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 we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations.

Our actual financial position and results of operations may differ materially from the expectations of our management.

Our actual financial position and results of operations may differ materially from our management's expectations. We have experienced some changes in our operating plans and certain delays in our plans. As a result, our revenue, net income and cash flow may differ materially from our expected revenue, net income and cash flow. The process for estimating our 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 materially affect our financial condition or results of operations.

We may be required and have not yet obtained regulatory approvals, licenses, and permits in the jurisdictions where our products or technologies are being researched, developed or commercialized, which failure to obtain such regulatory approvals, licenses and permits will likely have a material adverse effect on our business, financial condition and results of operations.

We, or our service providers, may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where our products or technologies are being researched, developed, or commercialized. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval. There can be no assurance that we will be able to obtain or maintain any necessary licenses, permits, or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit our ability to conduct our business, and would have an adverse effect on its business, financial condition, and results of operations. In particular, we will require approval from the FDA (as defined herein) and equivalent organizations in other countries before any of our products can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market we face, which could adversely affect our business, financial condition or results of operations.

We may encounter substantial delays or difficulties with our clinical trials, which could have a material adverse effect on our financial condition and results of operations.

We may not commercialize, market, promote or sell any product candidate without obtaining marketing approval from the FDA or comparable foreign regulatory authorities, and we may never receive such approvals. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans and will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of its product candidates, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

We may experience numerous unforeseen events prior to, during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize current and any future product candidates, including:

- delays in reaching a consensus with regulatory authorities on design or implementation of clinical trials;
- regulators or institutional review boards, or IRBs (as defined herein), may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- delays in reaching agreement on acceptable terms with prospective clinical research organizations and clinical trial sites;

- clinical trials of our product candidates may produce negative or inconclusive results;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of our clinical trial operations, trial sites or manufacturing facilities;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; or
- we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates, if approved, or allow competitors to bring competing drugs to market before us, which could impair our ability to successfully commercialize our product candidates and may harm our business, financial condition, results of operations and prospects.

Additionally, if the results of our clinical trials are inconclusive or if there are safety concerns or serious adverse events associated with product candidates, we may:

- be delayed in obtaining marketing approval, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- be subject to the addition of labeling statements, such as warnings or contraindications;
- be sued; or
- experience damage to its reputation.

Our product development costs will also increase if we experience delays in testing or obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical trials will begin as planned, need to be restructured or be completed on schedule, if at all.

Further, we, the FDA or an IRB may suspend our clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, such as the FDA's current GCP (as defined herein), that we are exposing participants to unacceptable health risks, or if the FDA finds deficiencies in our INDs (as defined herein), or in the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be negatively impacted, and our ability to generate revenues from our product candidates may be delayed.

Clinical trials are expensive, time consuming and difficult to design and implement, which could have a material adverse effect on our business, financial condition or results of operations.

Our product candidates will require clinical testing before we can submit an NDA (as defined herein) for regulatory approval. We cannot predict with any certainty if or when we might submit an NDA for regulatory approval for any of our product candidates or whether any such NDA will be approved by the FDA. Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. For instance, the FDA may not agree with our proposed endpoints for any future clinical trial of our product candidates, which may delay the commencement of our clinical trials. The clinical trial process is also time consuming. Furthermore, failure can occur at any stage, and we could encounter problems that cause us to abandon or repeat clinical trials, which could have a material adverse effect on our business, financial condition or results of operations.

Our current and future clinical trials or those of our current or future collaborators may reveal significant adverse events not seen in our pre-clinical and non-clinical studies and may result in a safety profile that could inhibit regulatory approval or market acceptance of any of our product candidates.

Before obtaining regulatory approvals for the commercial sale of any products, we must demonstrate through lengthy, complex and expensive pre-clinical studies and clinical trials that our product candidates are both safe and effective for use in each target indication. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. There is typically an extremely high rate of attrition for product candidates proceeding through clinical trials. Product candidates in later stages of clinical trials also may fail to show the desired safety and efficacy profile despite having progressed through non-clinical studies and initial clinical trials. If the results of our ongoing or future pre-clinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our product candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may be prevented from or delayed in obtaining marketing approval for such product candidates.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. Results of our trials could reveal a high and unacceptable severity and prevalence of side effects. Further, our product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to narrower uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Most product candidates that commence clinical trials are never approved as products and there can be no assurance that any of our current or future clinical trials will ultimately demonstrate positive results or support further clinical development of any of our product candidates.

If significant adverse events or other side effects are observed in any of our current or future clinical trials, we may have difficulty recruiting patients to our clinical trials, patients may drop out of our trials or we may be required to abandon the trials or our development efforts of one or more product candidates altogether. We, the FDA or other applicable regulatory authorities may suspend or terminate clinical trials of a product candidate at any time for various reasons, including a belief that subjects in such trials are being exposed to unacceptable health risks or adverse side effects. Even if the side effects do not preclude the product from obtaining or maintaining marketing approval, undesirable side effects may inhibit market acceptance of the approved product due to its tolerability versus other therapies. Any of these developments could materially harm our business, financial condition, results of operations and prospects.

We have never successfully completed a clinical trial, and we may be unable to do so for any product candidates we develop.

We have not yet demonstrated our ability to successfully complete any clinical trial, obtain a regulatory approval, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialisation of a product candidate. In August 2022, we began our first Phase 1 clinical trial, which is currently ongoing. We may not be able to file an IND for this or any of our other product candidates on the timelines we expect, if at all. For example, we may experience manufacturing delays with IND-enabling studies. Moreover, we cannot be sure that submission of an IND will result in the FDA allowing further clinical trials to begin, or that, once begun, issues will not arise that require us to suspend or terminate clinical trials. Commencing each of these clinical trials is subject to finalizing the trial design based on discussions with the FDA and other regulatory authorities. Any guidance we receive from regulatory authorities is subject to change. For example, a regulatory authority could change its position, including on the acceptability of our trial designs or the clinical endpoints selected, which may require us to complete additional clinical trials or impose stricter approval conditions than we currently expect.

If we are required to conduct additional pre-clinical studies or clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- be subject to post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

If we experience delays or difficulties in the enrolment of patients in clinical trials, our receipt of regulatory approvals could be delayed or prevented

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enrol a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In particular, because we are deploying our drug discovery platform across a broad target space, our ability to enrol eligible patients may be limited or may result in slower enrolment than we anticipate. For example, because some of our product candidates target rare diseases, we may have difficulty enrolling a sufficient number of eligible patients or enrolment may be slower than we anticipate. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enrol in clinical trials of our competitors' product candidates. We may not be able to identify, recruit and enrol a sufficient number of patients to complete our clinical studies for a number of reasons, including:

- the severity of the disease under investigation;
- the eligibility criteria and overall design of the clinical trial in question;
- the perceived risks and benefits of the product candidate under study;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- the ability to obtain and maintain patient consents;
- the efforts to facilitate timely enrolment in clinical trials;
- the patient referral practices of physicians;
- the size and nature of the patient population required for analysis of the trial's primary endpoints;
- the ability to monitor patients adequately during and after treatment;
- the proximity and availability of clinical trial sites for prospective patients;
- the risk that patients enrolled in clinical trials will drop out of the clinical trials before completion of their treatment; and
- factors we may not be able to control, such as the ongoing COVID-19 pandemic or potential future pandemics that may limit patients, principal investigators, staff or clinical site availability.

Success in pre-clinical studies or clinical trials may not be predictive of results in future clinical trials.

Positive results from early pre-clinical studies and clinical trials of our product candidates are not necessarily predictive of the results of later pre-clinical studies and any future clinical trials of our product candidates. Even if we are able to complete our planned pre-clinical studies and clinical trials of our product candidates according to our current development timeline, the results from such pre-clinical studies and clinical trials of our product candidates may not be replicated in subsequent pre-clinical studies or clinical trial results. If we cannot replicate such positive results in our later pre-clinical studies and future clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialise our product candidates.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, pre-clinical and other non-clinical findings made while clinical trials were underway, or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. Moreover, pre-clinical, non-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials nonetheless failed to obtain FDA approval.

Additionally, future clinical trials that we may plan might utilise an "open-label" trial design. An "open-label" clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label clinical trials are aware when they are receiving treatment. Open-label clinical trials may be subject to a "patient bias" where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open-label clinical trials may be subject to an "investigator bias" where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favourably given this knowledge. The results from an open-label trial may not be predictive of future clinical trial results with any of our product candidates for which we include an open-label clinical trial when studied in a controlled environment with a placebo or active control.

Interim, "topline," and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data becomes available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or topline data from our clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrolment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialise, our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects. In addition, the information we choose to publicly disclose regarding a particular clinical trial is based on what is typically extensive information, and investors may not agree with what we determine is material or otherwise appropriate information to include in our disclosure.

We may not be successful in our efforts to identify, license or discover additional product candidates, which may have a material adverse effect on our business and could potentially cause us to cease operations.

Although a substantial amount of our effort will focus on the continued research and pre-clinical testing, potential approval and commercialization of our existing product candidates, the success of our business also depends in part upon our ability to identify, license or discover additional product candidates. Our 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:

- our research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- we may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- our product candidates may not succeed in pre-clinical or clinical testing;
- our 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 our product candidates obsolete or less attractive;
- product candidates we develop may be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during our 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, we may be forced to abandon our development efforts to identify, license or discover additional product candidates, which would have a material adverse effect on our business and could potentially cause us to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

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

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

We have a going concern risk, which if we are unable to generative positive cash flows and/or obtain additional financing sufficient to fund continued activities and acquisitions, may materially adversely affect our financial condition and results of operations as well as our ability to continue operations.

Our continued operation as a going concern is dependent upon our ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While we continue to review our operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that we will be successful in such efforts; if we are not successful, we 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 we do not start generating and significantly increase revenues to meet these increased operating expenses and/or obtain financing until our revenues meet these operating expenses, our business, financial condition and operating results could be materially adversely affected. We cannot be sure when or if we will ever achieve profitability and, if we do, we may not be able to sustain or increase that profitability.

We may not be able to adequately protect and maintain our intellectual property and licenses, which could result in a material adverse effect to our business, financial condition and results of operations.

Our success will depend in part on our ability to protect and maintain our intellectual property rights and our licenses. No assurance can be given that the license or rights used by us will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to us. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that we 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, we could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. Our commercial success also depends on us not infringing patents or proprietary rights of others and not breaching any license granted to us. There can be no assurance that we will be able to maintain such licenses that we may require to conduct our business or that such licenses have been obtained at a reasonable cost. Furthermore, there can be no assurance that we will be able to remain in compliance with our licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to us.

Our inability to achieve timelines for publicly disclosed projects may result in material adverse effects on our business, financial condition and results of operations.

Our business is dependent on a number of key inputs and their related costs including raw materials and supplies related to our 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 our project development. 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 our project development.

We may need additional capital for future operations and if we are not able to secure any required capital, we may be forced to curtail or discontinue our operations.

It is possible that costs associated with the operating our business will exceed our projections depending on the timing of future operating and capital expenses. Assuming our existing funds sustain our operations for next 12 months, we believe that we 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 our Company's markets. We do not know how much additional funding we may require. We may therefore be required to seek other sources of financing in the future, which sources (assuming we are able to locate such alternative sources of financing) may be on terms less favorable to us than those of our previous securities offerings. 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 our shareholders 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, we may be unable to develop or enhance our products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and operating results, or we may be forced to curtail or cease our operations.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

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 us 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 our product candidates during clinical trials were to cause adverse side effects, we may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to our 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 has obtained clinical trial insurance. However, the insurance coverage may not be sufficient to reimburse us for any expenses or losses we may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, we, or any of our 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 our agreements with any future collaborators entitle us to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the commercialization of our product candidates. If a successful product liability claim or a series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired.

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

Health and safety issues related to our products may have a material adverse effect on our business and results of operations.

Health and safety issues related to our products may arise that could lead to litigation or other action against us or to regulation of certain of our product components. We may be required to modify our products and may also be required to pay damages that may reduce our profitability and adversely affect our financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect our ability to market certain of our products and, in turn, could harm our business and results from operations.

We have international operations, which subjects us to risks inherent with operations outside of Canada.

We have international operations and may seek to obtain market approvals in foreign markets that we deem 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 we were to experience any of the difficulties listed above, or any other difficulties, our international development activities and our 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 our earnings and cash flows.

Our functional currency is the Canadian dollar. We may incur expenses in 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. We 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, our 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 ours and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force us to do one or more of the following: cease selling or using any of our future products that incorporate a challenged intellectual property, which would adversely affect our 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 our 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 our discoveries or develop and commercialize our products. We cannot provide assurance that the patents we obtain will afford us significant commercial protection.

We may not be able to enforce our intellectual property rights throughout the world. This risk is exacerbated because we expect that one or more of our 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 us because we expect 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 our 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 we intend to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, we 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, we have 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 our efforts and attention from other aspects of our 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 our technology and the enforcement of our intellectual property.

The lack of product for commercialization would have a material adverse effect on our business, financial condition and results of operations.

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

Failure to develop new and innovative products may have a material adverse effect on our business.

Our success will depend, in part, on our ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, we must meet such demand through new and innovative products or else our business will fail. Our ability to develop, market and produce new products is subject to us having substantial capital. There is no assurance that we will be able to develop new and innovative products or have the capital necessary to develop such products.

The lack of experience of our management in marketing, selling, and distributing products may have a material adverse effect on our business and financial condition.

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 our management intends to hire experienced and qualified staff, this inexperience could also result in our inability to consummate revenue contracts or any contracts at all. Any combination of the aforementioned may result in the failure of our business and a loss of investment.

The size of our 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 we operate 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 us and, few, if any, established companies whose business model we can follow or upon whose success we can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in us. There can be no assurance that our estimates are accurate or that the market size is sufficiently large for our business to grow as projected, which may negatively impact our financial results.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under the laws of the Province of British Columbia, a substantial portion of our assets are in Canada and some of our executive officers and directors reside outside the United States

We are organized pursuant to the laws of the Province of British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). The majority of our directors and officers and our auditor reside outside of the United States. In addition, a substantial portion of their assets and our assets are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside of the United States, judgments you may obtain in U.S. courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. federal or state securities laws. Furthermore, there is substantial doubt as to the enforceability in Canada against us or against any of our directors, officers and the expert named in this Annual Report who are not residents of the United States, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities based solely upon the civil liability provisions of the U.S. federal securities laws. In addition, shareholders in British Columbia companies may not have standing to initiate a shareholder derivative action in U.S. federal courts. As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, our management, our directors or our major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

We continue to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute our current shareholders.

There is no guarantee that we will be able to achieve our business objectives. Our continued development will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or us 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 favorable to us.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Our 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. Our directors have discretion to determine the price and the terms of issue of further issuances. In addition, from time to time, we 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 our 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 us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may require additional financing to fund our operations to the point where it is generating positive cash flows. Negative cash flow may restrict our ability to pursue our business objectives.

If you purchase our Common Shares in an offering, you will experience substantial and immediate dilution, because the price that you pay may be substantially greater than the net tangible book value per share of our Common Shares that you acquire. This dilution is due in large part to the fact that our earlier investors will most likely have paid substantially less than the offering price which you may pay if you purchase our Common Shares.

Our officers and directors may be engaged in a range of business activities resulting in conflicts of interest, which may have a material adverse effect on our operations.

We may be subject to various potential conflicts of interest because some of our officers and directors may be engaged in a range of business activities. In addition, our 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 us. In some cases, our executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to our business and affairs and that could adversely affect our operations. These business interests could require significant time and attention of our executive officers and directors.

In addition, we may become involved in other transactions which conflict with the interests of our directors and officers who may from time to time deal with persons, firms, institutions or companies with which we may be dealing, or which may be seeking investments similar to those desired by us. The interests of these persons could conflict with ours. In addition, from time to time, these persons may be competing with us 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 our 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, our directors are required to act honestly, in good faith and in our best interests.

In certain circumstances, our reputation could be damaged, which may have a material adverse effect on our financial performance, financial condition, cash flows and growth prospects.

Damage to our 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 us and our activities, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and that we take care in protecting our image and reputation, we do not ultimately have direct control over how we are perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to our overall ability to advance our projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

We have negative operating cash flow.

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

Our forward-looking statements may prove to be inaccurate.

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this Annual Report under the heading "Forward-Looking Statements".

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

One or more material weaknesses in our internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, our 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 our policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure or difficulty in implementing required new or improved controls, our business and results of operations could be harmed, we may not be able to provide reasonable assurance as to our financial results or meet our reporting obligations and there could be a material adverse effect on the price of our securities.

Difficulties with forecasts.

We must rely largely on our own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the biotechnology industry dedicated to the discovery of serotonergic therapeutics. 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 our business, results of operations and financial condition.

COVID-19 may materially and adversely affect our business and financial results.

Our business could be materially and adversely affected by health epidemics in regions where we conduct 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 we rely, including laboratories situated in various parts of the United States and Europe. We are 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. We 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 is uncertain and will depend, in part, on the length and severity of the COVID-19 pandemic and the restrictions imposed by governments in response.

To the knowledge of our management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to us in relation to our timelines, business objectives or disclosed milestones related thereto. We rely on third parties to process and manufacture our products.

Risks Related to Our Common Shares

Our executive officers and directors beneficially own approximately 13.90% of our common shares.

As of December 28, 2022, our executive officers and directors beneficially own, in the aggregate, approximately 13.90% of our common shares, which includes shares that our executive officers and directors have the right to acquire pursuant to warrants and stock options which have vested. As a result, they are able to exercise a significant level of control over all matters requiring shareholder approval, including the election of directors, amendments to our Articles and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our Company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these shareholders.

The continued sale of our equity securities will dilute the ownership percentage of our existing shareholders and may decrease the market price for our common shares.

Our Notice of Articles authorizes the issuance of an unlimited number of Common Shares. Our Board of Directors has the authority to issue additional shares of our capital stock to provide additional financing in the future. The issuance of any such Common Shares may result in a reduction of the book value or market price of our outstanding Common Shares. Given our lack of revenues, we will likely have to issue additional equity securities to obtain working capital we require in the future. Our efforts to fund our intended business plans will therefore result in dilution to our existing shareholders. If we do issue any such additional Common Shares, such issuance also will cause a reduction in the proportionate ownership and voting power of all other shareholders. As a result of such dilution, if you acquire Common Shares your proportionate ownership interest and voting power could be decreased. Furthermore, any such issuances could result in a change of control or a reduction in the market price for our Common Shares.

Additionally, we had 1,135,807stock options and 5,146,444 warrants outstanding as of December 28, 2022. The exercise price of some of these options and warrants is below our current market price, and you could purchase shares in the market at a price in excess of the exercise price of our outstanding warrants or options. If the holders of these options and warrants elect to exercise them, your ownership position will be diluted and the per share value of the Common Shares you have or acquire could be diluted as well. As a result, the market value of our Common Shares could significantly decrease as well.

The market price of our Common Shares may be volatile and may fluctuate in a way that is disproportionate to our operating performance.

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 our business may be limited if investment banks with research capabilities do not follow us; 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 our 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 our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We 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 market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our 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.

Our stock price is expected to be volatile and will be drastically affected by governmental and regulatory regimes and other factors outside of our control. We cannot fully predict the results of our operations expected to take place in the future. The results of these activities will inevitably affect our decisions related to future operations and will likely trigger major changes in the trading price of the Company shares.

We do not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment.

We have never paid any cash or stock dividends and we do not intend to pay any dividends for the foreseeable future. To the extent that we require additional funding in the future, our funding sources may prohibit the payment of any dividends. Because we do not intend to declare dividends, any gain on your investment will need to result from an appreciation in the price of our Common Shares. There will therefore be fewer ways in which you are able to make a gain on your investment.

FINRA sales practice requirements may limit your ability to buy and sell our Common Shares, which could depress the price of our shares.

Financial Industry Regulation Authority ("**FINRA**") rules require broker-dealers to have reasonable grounds for believing that an investment is suitable for a customer before recommending that investment to the customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status and investment objectives, among other things. Under interpretations of these rules, FINRA believes that there is a high probability such speculative low-priced securities will not be suitable for at least some customers. Thus, FINRA requirements may make it more difficult for broker-dealers to recommend that their customers buy our Common Shares, which may limit your ability to buy and sell our Common Shares, have an adverse effect on the market for our Common Shares and, thereby, depress their market prices.

Our Common Shares have typically been thinly traded, and you may be unable to sell at or near ask prices or at all if you need to sell your Common Shares to raise money or otherwise desire to liquidate your shares.

From February 8, 2021, our Common Shares have been trading on the Canadian Securities Exchange where they have typically been "thinly-traded", meaning that the number of persons interested in purchasing our Common Shares at or near bid prices at any given time was relatively small or non-existent. This could be due to a number of factors, including that we are relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and might be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our Common Shares until such time as we became more seasoned. As a consequence, there may be periods of several days or more when trading activity in our common shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. The Company cannot predict when periods of increased trading activity may occur, or whether they will occur at all. Broad or active public trading market for our Common Shares may not develop or be sustained.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

We are a foreign private issuer within the meaning of the rules under the Exchange Act. As such, we are exempt from certain provisions applicable to United States domestic public companies. For example:

- we are not required to provide as many Exchange Act reports, or as frequently, as a domestic public company;
- for interim reporting we are permitted to comply solely with our home country requirements, which are less rigorous than the rules that apply to domestic public companies;
- we are not required to provide the same level of disclosure on certain issues, such as executive compensation;
- we are exempt from provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material information;
- we are not required to comply with the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; and
- we are not required to comply with Section 16 of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and establishing insider liability for profits realized from any "short-swing" trading transaction.

Our shareholders may not have access to certain information they may deem important and are accustomed to receive from U.S. reporting companies.

As an "emerging growth company" under applicable law, we will be subject to lessened disclosure requirements. Such reduced disclosure may make our common shares less attractive to investors.

For as long as we remain an "emerging growth company", as defined in the JOBS Act, we will elect to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" and including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports, exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Because of these lessened regulatory requirements, our shareholders would be left without information or rights available to shareholders of more mature companies. If some investors find our Common Shares less attractive as a result, there may be a less active trading market for such securities and their market prices may be more volatile.

We incur significant costs as a result of being a public company, which costs will grow after we cease to qualify as an "emerging growth company."

We incur significant legal, accounting and other expenses as a public company that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and Nasdaq, impose various requirements on the corporate governance practices of public companies. We are an "emerging growth company", as defined in the JOBS Act, and will remain an emerging growth company until the earlier of : (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the U.S. Securities Act, (b) in which we have total annual gross revenue of at least US$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common shares that is held by non-affiliates exceeds US$700 million as of the prior June 30th; and (2) the date on which we have issued more than US$1.0 billion in non-convertible debt during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

Compliance with these rules and regulations increases our legal and financial compliance costs and makes some corporate activities more time-consuming and costlier. After we are no longer an emerging growth company, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC. For example, as a public company, we have been required to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We have incurred additional costs in obtaining director and officer liability insurance. In addition, we incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

ITEM 4. INFORMATION ON THE COMPANY

Summary

We were incorporated on May 31, 2019, under the laws of the Province of British Columbia, Canada, under the name "1210954 B.C. Ltd." On March 6, 2020, we changed our name to "Bright Minds Biosciences Inc."

Our head office is located at 19 Vestry Street, New York, NY 10013.

Additional information related us is available on SEDAR at www.sedar.com and on our website at https://brightmindsbio.com/. We do not incorporate the contents of our website or of www.sedar.com into this Annual Report. Information on our website does not constitute part of this Annual Report. In addition, the U.S. Securities and Exchange Commission (the "**SEC**") maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC which can be viewed as www.sec.gov.

Our registered and records office is located at Suite 1500, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, Canada, V6E 4N7.

A. History and development of the Company

We are a biotechnology company dedicated to developing therapeutics to improve the lives of patients with severe and life-altering diseases, which was incorporated on May 31, 2019 under the laws of British Columbia, Canada.

We have two wholly-owned subsidiaries: Bright Minds Biosciences LLC, a limited liability company formed pursuant to the laws of Delaware, and Bright Minds Bioscience Pty. Ltd., a company formed pursuant to the laws of Australia.

B. Business Overview

Overview

The Company is a biotechnology company dedicated to developing the next-generation therapeutics to improve the lives of patients with severe and life-altering diseases. The Company is focused on new chemical entities (NCEs) for a variety of central nervous system disorders, including but not limited to pediatric epilepsies, as well as other neuro-psychiatric disorders, including but not limited to depression. The Company's R&D efforts focus on medical indications based on its expertise in 5-HT (serotonin) mediated diseases.

Principal Products

Serotonin (5-HT) is the most prominent neurotransmitter in the brain and modulates many biological functions. Dysfunction of serotonin receptors, transporters, and associated neurocircuits is fundamental to many diseases including epilepsies and neuro-psychiatric disorders such as depression. The class of medications known as selective serotonin reuptake inhibitors ("**SSRIs**"), such as Prozac®, Zoloft®, and Lexapro®, are widely used in the treatment of depression with a market of US$14.3 Billion[1]. Similarly, other serotoninergic drugs are widely used in the treatment of pain (Triptans in migraine)[2], Alzheimer's and 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 medications that are selective and specific to certain serotonin receptor subtypes that are fundamental to disease pathology, without non-specific effects, or other off-target 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.

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[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" (accessed 5 May 2021), online: *Drugs.com* <https://www.drugs.com/history/fintepla.html>.

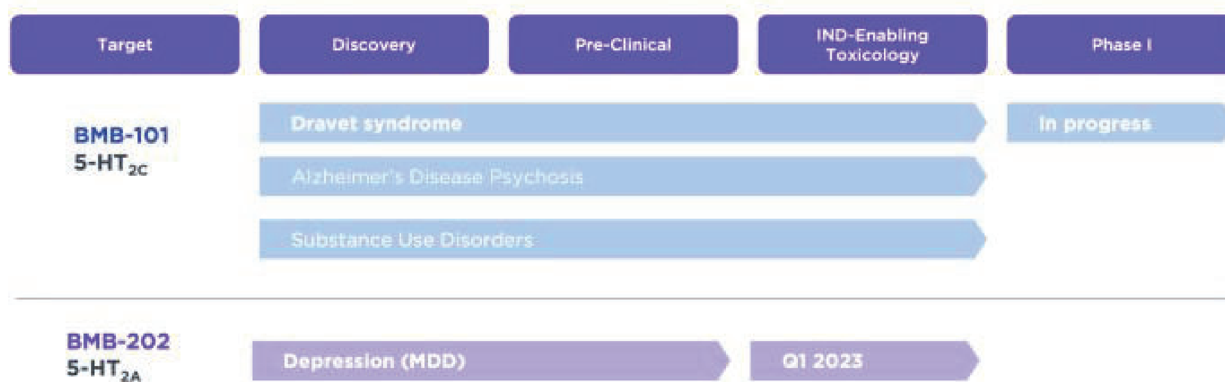
Key 5-HT_2 Receptors Targets

Based on a proprietary chemistry platform Bright Minds have developed highly selective 5-HT_{2A} and 5-HT_{2C} agonists without 5-HT_{2B} activity

5-HT_{2B} interaction potential is associated with undesirable cardiac valvulopathy

Bright Minds has a portfolio of patented, selective serotonin (5-HT2C and 5-HT2C/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.

Pipeline



The Company's lead 5-HT_2 subtype selective drug portfolio candidate is a synthetic 5-HT_{2C} receptor agonist without psychedelic effects. The Company expects its 5-HT_{2A} and 5-$HT_{2A/C}$ selective compounds will 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. Bright Minds is partnered with the National Institute of Neurological Disorders and Stroke ("**NINDS**"), a component of the National Institutes of Health, with respect to the Epilepsy Therapy Screening Program (the "**ETSP Program**") which permits the Company to have its product candidates screened and tested by the NINDS for the purposes of determining whether the product candidates are anticonvulsant, antiepileptogenic, or have activity against resilient epilepsy and related disorders. The Company is also partnered with the NINDS with respect to the Pre-clinical Screening Platform for Pain Program (the "**PSPP Program**") which permits the Company to have its product candidates screened and tested by the NINDS for the purpose of identifying non-opioid therapeutics for the treatment of pain. The NINDS screens and tests Company's product candidates in both the ETSP Program and PSPP Program free of charge and the NINDS retains zero financial interest in the Company. Further, the NINDS is not permitted to use the Company's product candidates tested in either the ETSP Program or PSPP Program for any commercial purposes nor is the NINDS permitted to make any derivative, resynthesize, or make any modification to the Company's product candidates.

The Company has completed the following preclinical studies on its product candidates:

Program	Indications	Study	Major Objective	Study Outcome
5-HT_{2C}	-	• ADMEPK (studies on absorption, distribution, metabolism, and excretion and pharmacokinetics) • Mouse, rat, dog, monkey PK • Brain binding and plasma protein binding • Plasma stability, Hepatocyte stability, CYP (Cytochrome P450) inhibition, Permeability in CaCO2 cells • Metabolites identification/profiling in cross-species hepatocyte/plasma, Kinetic solubility	• Describe the ADMEPK profile of the test compounds. Ensure the drug-like properties and estimating human PK properties	• Orally bioavailable • Brain penetrant in mice, rats • Low plasma protein binding • Stable after incubation with rat, human and mouse microsomal enzymes • Good IVIVC between IV CL and hepatocyte CL in vitro. Moderate to low inhibition of major liver CYPs. • No hERG inhibition • Not cytotoxic or genotoxic • Favorable metabolite profile
	-	Formulation studies: • Formulation stability and homogeneity • Solubility at different pH solutions/solvents • Preformulation studies	• Perform preformulation study of test compound, evaluate stability and solubility	• Test compound has a good solubility in aqueous media and organic solvents. • The API (active pharmaceutical ingredient) solid was chemically stable
	-	Toxicity assessment • 28-day toxicity studies (mice and dogs) • 90-day toxicity studies (mice and dogs)	• To assess safety of the test compound in 2 animal models	• 28-day tox studies completed - reports are in review • 90-day tox studies are completed - reports are in process at CRO

Program	Indications	Study	Major Objective	Study Outcome
	Dravet Syndrome	• Zebrafish and Mouse models of Dravet Syndrome (Belgium, confidential collaboration)	• Define if test compound has an efficacy in animal models of Dravet Syndrome	• Zebrafish treated with test compound experienced reduced locomotion and duration of epileptiform, and mice treated with test compound experienced reduced duration of seizures.
	Epilepsy	• NIH ETSP program (collaboration on epilepsy). Series of studies. • Mouse Maximal Electroshock (MES),6 Hz Seizure, and Rotarod Motor Impairment Assays	• Test the compound in animal seizure models	• Mice treated with test compound at higher dose experienced no seizures when induced at 0,25 and 1 hour. • ¾ of Mice treated with middle dose experienced no seizures at 0,25 hours. • Mice treated with lower dose experienced no difference in induced seizures.
	Opioid withdrawal (Opioid use disorder, OUD)	• Substance use Disorder in rats (Dr. Cunningham lab)	• Determine the efficacy of test compound to suppress drug intake in male rats trained to stably self-administer fentanyl	• Rats treated with test compound (in higher doses) experienced 65% less fentanyl intake in an opioid use rat model
	Opioid withdrawal (Opioid use disorder, OUD)	• Substance use Disorder in rats (Dr. Cunningham lab)	• Determine the efficacy of lead compound to reduce fentanyl seeking behaviour • New compound and additional dosages included in new study design	• Lead compound showed efficacy in validated rat models for the treatment of opioid use disorder, 66% less fentanyl intake
	Binge Eating Disorder (BED)	• BED trial in rats (Dr. Cunningham)	• Determine the efficacy of test compound to suppress binge eating behavior in male rats	• Rats treated with test compound experienced 47% fewer binge eating episodes in validated rat model to a similar extent as lorcaserin (reference)
	Alzheimer's Disease	• Dave Morgan	• Test the compound for behavioral changes in APP+PS1 mice (model of Alzheimer's Disease)	• Test compound showed significant effect in agitation in open field without other effects on learning and memory performance

Program	Indications	Study	Major Objective	Study Outcome
5-HT_{2A}	Depression and PTSD	• Lead optimization - BRET (Bioluminescence Resonance Energy Transfer) assays (John McCorvy)	• Describe the 5-HT2 profile of the test compounds • Choose lead and backup compounds	• More than 100 compounds screened and profiled • Lead and backup compounds with minimal 2B agonism are selected
		• Head Twitch Response trials (Halberstadt lab) (both 2A and 2A/2C programs)	• Evaluate head twitch response in mice	• 16 BMB compounds screened with a range of activity in vivo. The most active compounds are selected for a further assessment in ADMEPK studies
		ADMEPK studies (studies on absorption, distribution, metabolism, and excretion and pharmacokinetics): • Brain binding and plasma protein binding • Mouse, rat, dog, monkey PK • Plasma stability, Hepatocyte stability, CYP (Cytochrome P450) inhibition, Permeability in CaCO2 cells • Metabolites identification/profiling in cross-species hepatocyte/plasma, Kinetic solubility	• Describe the ADMEPK properties. Ensure the drug-like properties	• ADMEPK profiling is completed for the lead compound • Based on the obtained data the selected route of administration is subcutaneous or intramuscular • ADMEPK is in process for the backup compounds
		• Salt screen and solubility assessment	• To choose the salt form for further studies that allows higher solubility	• Hydrochoride salt has been chosen as the preferred salt form
		• Safety Screen 44, hERG screening and Ames test at Eurofins (both 2A and 2A/2C programs)	• Early screen for safety liabilities in vitro	• hERG risk assessment is complete, 11 compounds considered as having low risk • No Ames test liability found for tested compounds • No safety liabilities identified for the tested compounds
		• NIH PSPP collaboration	• In vitro opioid & abuse liability, PK and protein binding studies	• The test compound has passed the Tier 1 and is in process of Tier 2 studies (rotarod test will start in August)
	Depression	• Depression trials in rats (Dr. Cunningham lab)	• Determine the efficacy of BMB compounds in rat model of depression (OBX rats)	• Single dose of the test compound showed significant and long lasting inhibition of abnormal behavioral activity in the surgery induced abnormal rats
5-Ht2a+2c	Depression Pain disorders	• Lead optimization - BRET (Bioluminescence Resonance Energy Transfer) assays (John McCorvy)	• Describe the 5-HT2 profile of the test compounds	• Design, molecule modeling, and synthesis continue to identify highly selective/safe 2A/2C agonists

		• PsychoGenics Inc. collaboration	• To assess the potential of compounds to treat psychiatric disorders by comparing their complex behavioral profiles with those from a proprietary reference database at the drug class level	• BMB compounds showed clear antidepressant class profile in SmartCube model

Program	Indications	Study	Major Objective	Study Outcome
		• Head Twitch Response trials (Halberstadt lab) (both 2A and 2A/2C programs)	• Evaluate head twitch response in mice	• 16 BMB compounds screened with a range of activity in vivo. The most active compounds are selected for a further assessment in ADMEPK studies
		• ADMEPK studies	• Describe the ADMEPK properties of the test compounds. Ensure the drug-like properties	• In process
		• Safety Screen 44, hERG screening and Ames test at Eurofins (both 2A and 2A/2C programs)	• Early screen for safety liabilities in vitro	• hERG risk assessment is complete, 11 compounds considered as having low risk • No Ames test liability found for tested compounds • No safety liabilities identified for the tested compounds

The Company has initiated a Phase 1 clinical trial on its leading product candidate, 5-HT_{2C}, as follows:

Product	Indications	Clinical Trial	Major Objective	Outcome
BMB-101	Dravet Syndrome	Phase 1 SAD, MAD and Food Effects	Safety, PK/PD and Exploratory Effect markers	Safety and Tolerability

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 central nervous system ("**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.

- **Dravet Syndrome/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.

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 Board of Trustees of the University of Illinois and the University of North Carolina at Chapel Hill. 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 Board of Trustees of the University of Illinois. 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 10407381 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.

On May 26, 2020, the Company entered into an option agreement (the "**Roth Kozikowski Agreement**") with the Board of Trustees of the University of Illinois ("**UIC**") in which UIC granted the Company, in consideration for an option fee, an exclusive option to: (i) evaluate the inventions described in PCT/US2011/023535 and all counterpart patents related thereto and described in PCT/US2016/015019 and all counterpart patents related thereto (collectively, the "**Inventions**"); and (ii) obtain an exclusive license to the Inventions. On April 23, 2021, the Company and UIC entered into a First Amendment to the Roth Kozikowski Agreement for the purpose of amending certain terms in the Roth Kozikowski Agreement.

On April 23, 2021, the Company entered into an exclusive license agreement (the "**Exclusive License Agreement**") with UIC pursuant to the exercise of its option under the Roth Kozikowski Agreement and the First Amendment to the Roth Kozikowski Agreement. Pursuant to the terms and conditions of the Exclusive License Agreement, UIC granted the Company an exclusive license to the Inventions (the "**License**"). In consideration for the License, the Company (i) paid UIC a signing fee of US$100,000, less US$15,000 paid by the Company pursuant to the Roth Kozikowski Agreement; and (ii) issued 63,000 Common Shares at a deemed price of $5.85 per Common Share to the UIC (part of which was received by UIC on behalf of the University of North Carolina at Chapel Hill). Additionally, the Company agreed to pay UIC a royalty on net sales of products derived from the Inventions and a portion of all revenue received by the Company from sublicensees.

The Company may terminate the Exclusive License Agreement at any time on written notice to UIC at least ninety (90) days prior to the termination date specified in the notice. The notice of termination must also include the Company's reason for such termination. UIC may terminate the Exclusive License Agreement if the Company: (a) fails to pay any amount, or provide any other consideration, or make any report when required, and the Company does not cure such failure within ninety (90) days after receiving notice thereof; (b) is in breach of any provision of the Exclusive License Agreement not covered by (a) and the Company does not cure such failure within forty-five (45) days after receiving notice thereof; (c) is in breach of any obligations that the Company has to UIC under any other agreement between the Company and UIC and the Company does not cure such failure within ninety (90) days after receiving notice thereof, however, should the Company be aware it is unable to remedy such breach within ninety (90) days, the Company shall have the option to provide written notice to UIC after which the Company and UIC shall negotiate in good faith to determine an appropriate extension to said ninety (90) day time frame; (d) makes any materially false report and receives written notice from UIC; (e) to the extent not prohibited by applicable law commences a voluntary case as a debtor under the Bankruptcy Code of the United States or any successor statute (the "**Bankruptcy Code**"), or if an involuntary case is commenced against the Company under the Bankruptcy Code, or if an order for relief shall be entered in such case, or if the same or any similar circumstance shall occur under the laws of any foreign jurisdiction; and/or (f) takes any action that purports to cause or causes any of the patent rights or technical information subject to the Exclusive License Agreement to be subject to any lien or encumbrance, and such termination shall be upon written notice to the Company.

Filed Patent Applications

Based upon molecular modeling studies in concert with data available from published research articles, the Bright Minds chemistry team designed novel analogs of psilocin that they believed would retain 5-HT2A activity while having no propensity to activate the 5-HT2B receptors. These new chemical entities were thus anticipated to retain the brain re-booting activity of psilocin while showing no propensity to cause valvulopathy issues.

On March 12, 2020, Bright Minds filed a United States provisional application that was assigned a serial number of US 62/988,926. This patent application focused on psilocin analogs that have been decorated with functionality appropriate to achieving the goals of maintaining the desired 5-HT2A activity while being devoid of 5-HT2B activity. On March 12, 2021, Bright Minds filed a Patent Cooperation Treaty patent application that claims priority to US 62/988,926. Such Patent Cooperation Treaty patent application was assigned a serial number of PCT/CA2021/050336. In September 2022, PCT/CA2021/050336 entered the national phase in the United States of America; the United States application, which has been assigned a serial number of 17/911,022, is currently pending. In October 2022, PCT/CA2021/050336 entered the national phase in the European Union; the European Union application, which has been assigned a serial number of 21768153.5, is currently pending

On April 29, 2020, Bright Minds filed a United States provisional application that was assigned a serial number of US 63/017,627. This patent application focused on psilocin analogs that have been decorated with functionality appropriate to achieving the goals of maintaining the desired 5-HT2A activity while being devoid of 5-HT2B activity; on April 29, 2021, US 63/017,627 expired without further public disclosure. On May 4, 2021, Bright Minds filed a United States provisional application that was assigned a serial number of US 63/184,040; US 63/184,040 included subject matter that was previously recited in US 63/017,627; on May 4, 2022, US 63/184,040 expired without further public disclosure. On May 5, 2022, Bright Minds filed a United States provisional application that has been assigned a serial number of US 63/338,842; US 63/338,842 includes subject matter that was previously recited in US 63/184,040 and US 63/017,627.

On May 26, 2021, Bright Minds filed a United States provisional application that was assigned a serial number of US 63/193,062. This patent application focused on substitutions at a particular position on an indole structure. On May 25, 2022, Bright Minds filed a Patent Cooperation Treaty patent application that claims priority to US 63/193,062. Such Patent Cooperation Treaty patent application has been assigned a serial number of PCT/CA2022/050833.

On January 4, 2022, Bright Minds filed a United States provisional application that has been assigned a serial number of US 63/296,430. This patent application focuses on phenethylamine compounds. On November 4, 2022, Bright Minds filed a second United States provisional application focused on phenethylamine compounds; this provisional application has been assigned a serial number of US 63/422,730.

On May 6, 2022, Bright Minds filed a United States provisional application that has been assigned a serial number of US 63/338,889. This patent application focuses on substitutions at a particular position on an indole structure.

Bright Minds is currently listed as an applicant in the following seven active patent applications describing the five patent families above:

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
63/296,430	USA	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	January 4, 2022	Pending

Patent Application Number	**Region**	**Title**	**Inventors**	**Applicant**	**Filing Date**	**Status**
63/338,842	USA	Heterocyclic Compounds and Methods of Preparation Thereof	Werner TUECKMANTEL; Alan KOZIKOWSKI	Bright Minds Biosciences Inc.	May 5, 2022	Pending
63/338,889	USA	Heterocyclic Compounds and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL	Bright Minds Biosciences Inc.	May 6, 2022	Pending
PCT/CA2022/050833	Patent Cooperation Treaty	Heterocyclic Compounds and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL; John MCCORVY; Uros LABAN.	Bright Minds Biosciences Inc.; The Medical College of Wisconsin Inc.	May 25, 2022 (claims priority to US 63/193,062 filed May 26, 2021)	Pending
17/911,022	USA	3-(2-(AMINOETHYL)-INDOL-4-OL DERIVATIVES, METHODS OF PREPARATION THEREOF, AND THE USE AS 5-HT2 RECEPTOR MODULATORS	Alan KOZIKOWSKI; Gideon SHAPIRO; Werner TUECKMANTEL John McCORVY	Bright Minds Biosciences Inc.; The Medical College of Wisconsin Inc.	September 12, 2022 (national phase entry of PCT/CA2021/050336 having an international filing date of March 12, 2021, which claims priority to US 62/988,926 filed March 12, 2020)	Pending
21768153.5	EU	3-(2-(AMINOETHYL)-INDOL-4-OL DERIVATIVES, METHODS OF PREPARATION THEREOF, AND THE USE AS 5-HT2 RECEPTOR MODULATORS	Alan KOZIKOWSKI; Gideon SHAPIRO; Werner TUECKMANTEL John McCORVY	Bright Minds Biosciences Inc.; The Medical College of Wisconsin Inc.	October 12, 2022 (national phase entry of PCT/CA2021/050336 having an international filing date of March 12, 2021, which claims priority to US 62/988,926 filed March 12, 2020)	Pending
63/422,730	USA	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL	Bright Minds Biosciences Inc.;	November 4, 2022	Pending

Trademarks

Bright Minds has applied to register the following trademark applications:

Trademark	Country	Application Number
BRIGHT MINDS	Canada	2,016,213
BRIGHT MINDS	United States of America	90/245,748

Web Domains

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

Government Regulation

Regulatory Framework

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

Canadian Government Regulation

Drug products in Canada are regulated by Health Canada under the *Food and Drugs Act* and the *Food and Drugs Regulations*. Health Canada regulates, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any product candidates or commercial products.

For a drug product to be approved in Canada, it must provide sufficient evidence of safety, efficacy and chemical quality based on preclinical investigation and Phase I, II and III clinical trials using approved and compliant manufacturing and clinical sites.

To obtain approval to market a drug in Canada, a sponsor usually requests a pre-submission meeting with the review division of Health Canada responsible for the therapeutic field. If the meeting is granted, the sponsor must submit a Pre-Submission Information package to the Therapeutic Products Directorate ("**TPD**") to meet with the review division. This process occurs prior to submitting the New Drug Submission ("**NDS**") application. The purpose of the pre-submission meeting is to review the evidence (non-clinical and clinical research, quality information, indication) that will be submitted in the NDS application.

During the drug development process, the sponsor prepares study reports. Once the sponsor releases the last study required for the submission, the sponsor completes the NDS application and submits it to the TPD. Prior to submitting the NDS and, if applicable, based on the intended use of the product in the identified patient population, the sponsor may submit in advance a request for priority review status.

After submitting the NDS application, the file undergoes a screening process prior to being accepted for review. TPD has 45 calendar days from receipt to complete the screening review process. If granted a priority review, the screening period is reduced to 25 calendar days.

After a comprehensive review of an NDS application, Health Canada will issue a Notice of Compliance ("**NOC**") if the product is approved or a Notice of Non-Compliance ("**NON**") if further questions remain. If a NOC is issued, a Drug Identification Number ("**DIN**") is also issued that is required to be printed on each label of the product, as well as the final version of the Product Monograph that has been agreed to between Health Canada and the sponsor.

The average target time for reaching a first decision on an NDS is 300 calendar days, unless the submission has received a priority review in which case the time is 180 calendar days. Fees are levied for a review of an NDS application.

The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Once approved, Health Canada continues to monitor the product and license holders have obligations related to reporting to Health Canada, record keeping and ensuring continued safety and efficacy of the product. Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

United States Government Regulation

In the United States, the FDA regulates drugs under the United States Food, Drug, and Cosmetic Act (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 Bright Minds 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 NRA 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 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.

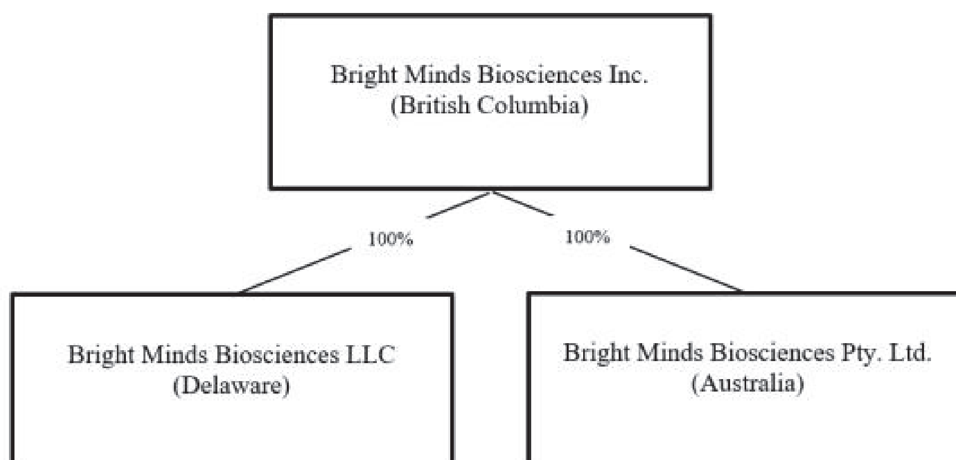
The Company has numerous options as it relates to contract manufactures of GMP (good manufacturing products) grade active pharmaceutical ingredients and finished products. The Company does not expect to encounter any issues sourcing raw materials nor do we foresee material volatility in raw materials and finished good pricing.

Legal Proceedings

We are not involved in, or aware of, any legal or administrative proceedings contemplated or threatened by any governmental authority or any other party that is likely to have a material adverse effect on our business. As of the date of this Annual Report, no director, officer or affiliate is a party adverse to us in any legal proceeding or has an adverse interest to us in any legal proceeding.

C. Organizational structure

The Company has two wholly-owned subsidiaries: Bright Minds Biosciences LLC, a limited liability company formed pursuant to the laws of Delaware, and Bright Minds Bioscience Pty. Ltd., a company formed pursuant to the laws of Australia. The Company owns 100% of the voting and dispositive control over each subsidiary. The following chart illustrates, as at the date of this Annual Report, the Company's subsidiaries, including their respective jurisdiction of incorporation and percentage of voting securities in each that are held by the Company either directly or indirectly:



D. Property, plant and equipment

The Company leases its executive headquarters located at 19 Vestry St., New York, NY 10013 pursuant to a lease agreement (the "**Vestry Lease Agreement**") between the Company and Gerep Realty Corp., as landlord, dated August 13, 2021, as amended on May 31, 2022. Pursuant to the Vestry Lease Agreement, monthly rent is US$5,510 from September 1, 2022 to August 31, 2023, and US$5,630 from September 1, 2023 to August 31, 2024, which is also when the lease expires. The Company has paid all rent in advance.

Additionally, the Company leases approximately 707 square feet of laboratory space and 197 square feet of office space in the Technology Innovation Center located in Milwaukee, WI pursuant to a commercial laboratory lease agreement (the "**Lab Lease Agreement**") between the Company and Technology Innovation Center LLC, as landlord, dated August 12, 2020, as amended on November 17, 2021 and May 27, 2022. Pursuant to the Lab Lease Agreement, the Company currently pays rent of US$1,926.10 per month and the term of the lease expires on May 31, 2023. The Lab Lease Agreement provides that the Company is permitted to use the laboratory space for the development of psychedelics to treat mental health disorders.

Other than the Company's executive headquarters in New York and its laboratory in Milwaukee, the Company does not own or lease any other real property and it does not own any equipment. 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 and the Company's clinical trial are primarily outsourced to trusted contract research organizations and clinical trial centres, including but not limited to the University of Texas, the Medical College of Wisconsin, and CMAX Clinical Research.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

General

This Annual Report should be read in conjunction with the accompanying financial statements and related notes. The discussion and analysis of the financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the International Accounting Standards Board ("**IASB**").

The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. The estimates were based on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates or other forward-looking statements under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Our actual results may differ materially as a result of many factors, including those set forth under "Forward-Looking Statements" and "Risk Factors" herein.

Critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments, are outlined below under the heading "Critical Accounting Policies and Estimates", and have not changed significantly since our founding.

Figures in this Item 5 are in Canadian dollars unless otherwise indicated.

Overview

Bright Minds Biosciences Inc. was incorporated under the BCBCA 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 Company's head office is located at 19 Vestry Street, New York, NY 10013.

Additional information related us is available on SEDAR at www.sedar.com and www.brightmindsbio.com. We do not incorporate the contents of our website or of sedar.com into this Annual Report. Information on our website does not constitute part of this Annual Report.

Financing

Our ability to continue operations will depend on our continued ability to raise capital on acceptable terms. We incurred losses of $480,377 for the year ended September 30, 2020, $8,650,763 for the year ended September 30, 2021, $14,964,941 for the year ended September 30, 2022, and anticipate incurring losses for the year ending September 30, 2023. We had negative operating cash flows of $13,587,116 for the year ended September 30, 2022 and anticipate negative operating cash flows during the year ended September 30, 2023. Although we had working capital surplus of $10,475,632, including cash and cash equivalents of $11,627,913, at September 30, 2022, we anticipate further financings through the sale of our shares. If we are not successful in raising additional capital on terms that are acceptable to us, we may be forced to curtail or cease operations.

Market conditions, trends or events

Our ability to continue operations also depends on market conditions outside of our control. Significant changes in the Canadian and United States drug and health laws may materially and adversely affect our business and prospects. The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Once approved, Health Canada and the FDA would continue to monitor the product and license holders have obligations related to reporting to these agencies, record keeping and ensuring continued safety and efficacy of the product. Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

A. Operating Results

Results of Operations for the Year ended September 30, 2022 as Compared to the Year Ended September 30, 2021

Revenues

Since inception, the Company has not realized any revenue.

Operating Expenses

During the year ended September 30, 2022, the Company incurred a net loss of $14,964,941 compared to a net loss of $8,650,763 for the corresponding period in 2021. The increase in net loss between the two years resulted from an overall ramp up of operations. The largest expense items in net comprehensive loss are described below.

Consulting fees. Consulting fees were $771,329 for the year ended September 30, 2022 compared to $394,624 for the year ended September 30, 2021. The increase of $376,705 was a result of hiring various consultant to assist in day to day operations.

Foreign exchange. Foreign exchange recovery was $12,151 for the year ended September 30, 2022 compared to $154,099 for the year ended September 30, 2021. The decrease of $141,948 was as a result of volatility in the foreign exchange market.

Funds processing fees. Funds processing fees were $Nil for the year ended September 30, 2022 compared to $18,665 for the year ended September 30, 2021. The decrease of $18,665 was a result of higher fees relating to the increase in financing activity for the previous year in comparison to the current year.

Marketing, advertising and investor relations expenses. Marketing, advertising and investor relations expenses were $551,864 for the year ended September 30, 2022 compared to $852,151 for the year ended September 30, 2021. The decreaseof $300,287 was a result of the Company reducing its marketing expenditures in its second year of operations. In the previous year of operation, the Company executed awareness and marketing campaigns as a new company.

Office and administrative expenses. Office and administrative expenses were $478,248 for the year ended September 30, 2022 compared to $197,125 for the year ended September 30, 2021. The increase of $281,123 was a result of increased overhead administrative activities supporting the ramp up of operations.

Professional fees. Professional fees were $650,196 for the year ended September 30, 2022 compared to $709,954 for the year ended September 30, 2021. The decrease of $59,758 was a result of non-recurring legal fees related to its listing on the CSE in the previous year.

Regulatory and filing expenses. Regulatory and filing expenses were $243,079 for the year ended September 30, 2022 compared to $181,743 for the year ended September 30, 2021. The increase of $61,336 was a result of additional fees being listed on the Nasdaq.

Research and development expenses. Research and development were $12,180,938 for the year ended September 30, 2022 compared to $6,313,988 for the year ended September 30, 2021. The increase of $5,866,950 was a result of continued development across all drug pipelines.

Net Loss

As a result of the above factors, we reported a net loss for the year ended September 30, 2022 of $14,964,941, compared to a net loss of $8,650,763 for the corresponding period in 2021.

Results of Operations for the Year ended September 30, 2021 as Compared to the Year Ended September 30, 2020

Revenues

Since inception, the Company has not realized any revenue.

Operating Expenses

During the year ended September 30, 2021, the Company incurred a net loss of $8,650,763 compared to a net loss of $480,377 for the corresponding period in 2020. The increase in net loss between the two years resulted from an overall ramp up of operations. The largest expense items in net comprehensive loss are described below.

Consulting fees. Consulting fees were $394,624 for the year ended September 30, 2021 compared to $Nil for the year ended September 30, 2020. The increase of $394,624 was a result of hiring various consultant to assist in day to day operations, and hiring a market maker.

Foreign exchange. Foreign exchange recovery was $154,099 for the year ended September 30, 2021 compared to $Nil for the year ended September 30, 2020. The recovery of $154,099 was a result of an accumulation of foreign exchange conversions which favored the Company; this did not occur in the prior fiscal year.

Funds processing fees. Funds processing fees were $18,665 for the year ended September 30, 2021 compared to $5,568 for the year ended September 30, 2020. The increase of $13,097 was a result of higher fees relating to the increase in financing activity for the current year.

Marketing, advertising and investor relations expenses. Marketing, advertising and investor relations expenses were $852,151 for the year ended September 30, 2021 compared to $9,618 for the year ended September 30, 2020. The increase of $842,533 was a result of the Company increasing investor awareness and creating visibility of the Company's shares trading on Canadian and US stock exchanges.

Office and administrative expenses. Office and administrative expenses were $197,125 for the year ended September 30, 2021 compared to $637 for the year ended September 30, 2020. The increase of $196,488 was a result of increased overhead administrative activities supporting the ramp up of operations.

Professional fees. Professional fees were $709,954 for the year ended September 30, 2021 compared to $104,251 for the year ended September 30, 2020. The increase of $605,703 was a result of increased use of legal counsel to assist in corporate development activities and financings.

Regulatory and filing expenses. Regulatory and filing expenses were $181,743 for the year ended September 30, 2021 compared to $5,451 for the year ended September 30, 2020. The increase of $176,292 was a result of related ongoing costs as a public company whereas in the prior year, the Company was private.

Research and development expenses. Research and development were $6,313,988 for the year ended September 30, 2021 compared to $354,852 for the year ended September 30, 2020. The increase of $5,959,136 was a result of continued development across all drug pipelines.

Net Loss

As a result of the above factors, we reported a net loss for the year ended September 30, 2021 of $8,650,763, compared to a net loss of $480,377 for the corresponding period in 2020.

Results of Operations for the Year ended September 30, 2020 as Compared to the Period from May 31, 2019 (date of inception) to September 30, 2019

Revenues

Since inception, the Company has not realized any revenue.

Operating Expenses

During the year ended September 30, 2020, the Company incurred a net loss of $480,377 compared to a net loss of $78,717 for the corresponding period in 2019. The increase in net loss between the two years resulted from $401,660. The largest expense items in net comprehensive loss are described below.

Consulting fees. Consulting fees were $Nil for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. There were no consulting fees incurred between the two periods.

Foreign exchange. Foreign exchange expenses were $Nil for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. There were no foreign exchange expense incurred between the two periods.

Funds processing fees. Funds processing fees were $5,568 for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. The increase of $5,568 was a result of financing costs incurred in 2020 which did not occur in 2019.

Marketing, advertising and investor relations expenses. Marketing, advertising and investor relations expenses were $9,618 for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. The increase of $9,618 was a result of some marketing expenses incurred by the Company to bring visibility to the Company shares.

Office and administrative expenses. Office and administrative expenses were $637 for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. The increase of $637 was a result of some immaterial overhead costs paid.

Professional fees. Professional fees were $104,251 for the year ended September 30, 2020 compared to $36,708 for the period ended September 30, 2019. The increase of $67,543 was a result of increased use of legal counsel as the Company prepared to go public and close on financings.

Regulatory and filing expenses. Regulatory and filing expenses were $5,451 for the year ended September 30, 2020 compared to $Nil for the period ended September 30, 2019. The increase of $5,451 was a result of some filing fees incurred to as part of the initial listing process.

Research and development expenses. Research and development were $354,852 for the year ended September 30, 2020 compared to $42,009 for the period ended September 30, 2019. The increase of $312,843 was a result of continued development across all drug pipelines.

Net Loss

As a result of the above factors, we reported a net loss for the year ended September 30, 2020 of $480,377, compared to a net loss of $78,717 for the corresponding period in 2019.

B. Liquidity and Capital Resources

Liquidity

The Company's financial success is dependent upon its ability to market and sell its products and solutions; and to raise sufficient working capital to enable the Company to execute its business plan. The Company's historical capital needs have been met by internally generated cash flow from operations and the support of its shareholders. There is no assurance that equity funding will be possible at the times required by the Company. If no funds are able to be raised and sales of its products and solutions do not produce sufficient net cash flow, then the Company may require a significant curtailing of operations to ensure its survival.

The 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. The Company incurred a net loss of $14,964,941 during the year ended September 30, 2022, and had a cash and cash equivalents balance and a working capital surplus of $11,627,913 and $10,475,632, respectively, as at September 30, 2022. There can be no assurance that funding from this or other sources will be sufficient in the future to continue its operations. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to it. Failure to obtain such financing on a timely basis could cause the Company to reduce or terminate its operations.

As of September 30, 2022, the Company had 17,592,359 issued and outstanding shares and 23,455,768 shares on a fully-diluted basis. The Company began trading on Canadian Stock Exchange on February 8, 2021 and began trading on Nasdaq on November 8, 2021.

The Company had $10,475,632, of working capital surplus as at September 30, 2022, compared to $19,399,795 of working capital surplus as at September 30, 2021. The decrease in working capital resulted from increased research and development expenditures during the current year, and decreased capital raises in the current year.

Capital Resources

As at September 30, 2022, the Company had cash of $11,627,913 (September 30, 2021: $19,760,015). The Company continues to pursue additional equity financing although there can be no guarantees given that the Company will be successful in such endeavors.

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenue and expenses. These are based on the best information available at the time utilizing generally accepted industry standards.

Significant estimates and assumptions

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.

Significant judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's financial statements include:

- the classification of financial instruments; and
- the calculation of deferred income taxes require judgement in interpreting tax rules and regulations.

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.

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.

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.

Share-based payments

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.

Share-based payments are included in the Company's Consolidated Statements of Comprehensive Loss on a functional account basis.

Research and development expenses

Research costs are expensed when incurred. Development costs, including direct material, direct labor and contract service costs, are capitalized as intangible assets when: we can demonstrate that the technical feasibility of a project has been established; when we intend to complete the asset for use or sale and have the ability to do so; when the asset can generate probable future economic benefits; when the technical and financial resources are available to complete the development; and when we can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. These costs are amortized on a straight-line basis over the estimated useful life. To date the Company did not have any development costs that met the capitalization criteria.

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.

C. Research and Development, Patents and Licenses, etc.

The following table summarizes the material components of research and development expenditure across its drug portfolio for the years ended September 30, 2022, 2021, and 2020:

Drug Portfolio	For the year ended September 30, 2022	For the year ended September 30, 2021	For the year ended September 30, 2020
	$	$	$
5-HT_{2A}	2,165,206	1,724,833	118,284
5-HT_{2C}	8,412,193	3,626,015	118,284
5-$HT_{2C/A}$	1,603,539	963,140	118,284
TOTAL	12,180,938	6,313,988	354,852

D. Trend Information

Due to our short operating history, except as noted below, we are not aware of any trends that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Potential Impact of the COVID-19 Pandemic

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.

E. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements nor does it have any transactions, arrangements, obligations (including contingent obligations) or other relationships with any unconsolidated entities or other persons that may have material current or future effect on financial conditions, changes in the financial conditions, results of operations, liquidity, capital expenditures, capital resources or significant components of revenue or expenses.

F. **Tabular Disclosure of Contractual Obligations**

The following table provides the Company's contractual obligations:

Contractual Obligations	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-Term Debt Obligations	Nil	Nil	Nil	Nil	Nil
Capital (Finance) Lease Obligations	139,911	67,928	71,983	Nil	Nil
Operating Lease Obligations	21,121	21,121	Nil	Nil	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Other Long-Term Liabilities Reflected on the Company's Balance Sheet under the GAAP of the primary financial statements	Nil	Nil	Nil	Nil	Nil
Total	161,032	89,049	71,983	Nil	Nil

G. **Safe Harbor**

Not applicable.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. **Directors and Senior Management**

Name, Province/State and Country of Residence	Age	Position	Director/Officer Since
Ian McDonald, Ontario, Canada	35	President, Chief Executive Officer and Director	May 31, 2019
Ryan Cheung , British Columbia, Canada	44	Chief Financial Officer	May 29, 2020
Dr. Mark A. Smith, Elkton, Maryland, USA	67	Chief Medical Officer	November 23, 2022
Nils Christian Bottler(1)(2)(3)(4), Berlin, Germany	35	Director	September 29, 2020
Jeremy Fryzuk(1)(2)(3)(4), London, UK	37	Director	September 29, 2020
Douglas Williamson(1)(2)(3)(4), Chicago, USA	59	Director	September 6, 2022
Dr. Jan Pedersen, Soborg, Denmark	58	Director and Chief Science Officer	April 27, 2022 (Director) June 26, 2022 (Interim Chief Science Officer) September 22, 2022 (Chief Scientific Officer)

Notes

(1) Member of the Audit Committee.
(2) Member of the Nominating and Corporate Governance Committee.
(3) Member of the Compensation Committee.
(4) Member of Corporate Disclosure Committee.

Business Experience

The following summarizes the occupation and business experience during the past five years or more for our directors and executive officers as of the date of this Annual Report:

Ian McDonald, President, Chief Executive Officer and Director

Mr. McDonald is an entrepreneur and former investment banker. Prior to joining the Company, Mr. McDonald served on the management team at a TSX-listed gold mining company. In that capacity, Mr. 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. Mr. McDonald has served as a member of the board of directors of several TSX Venture Exchange, Canadian Securities Exchange listed and private companies.

Ryan Cheung, Chief Financial Officer

Mr. 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.

Dr. Gideon Shapiro, Vice President (Discovery)

Dr. 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. Mark A. Smith, Chief Medical Officer

Prior to joining the Company, Dr. Smith was Chief Medical Officer at VistaGen Therapeutics, where he led the clinical development of drug candidates in the areas of major depression, social anxiety disorder, and depression through all phases of development. Previously, Dr. Smith served as the Clinical Lead for Neuropsychiatry at Teva Pharmaceuticals, where he was accountable for the strategy and clinical development of neuropsychiatric drugs with a focus on schizophrenia, sleep disorders, and agitation. He also held a range of director positions, including as Executive Director of Clinical Development at AstraZeneca Pharmaceutical Company, where he led the development of several novel chemical entities targeting treatment-resistant depression, anxiety, and schizophrenia.

Dr. Smith was also Senior Director of Experimental Medicine of Global Clinical Development and Innovation at Shire Pharmaceuticals and Senior Investigator and Principal Research Scientist of CNS Diseases at DuPont Pharmaceuticals. Prior to joining the pharmaceutical industry, he served as a Senior Staff Scientist of the Biological Psychiatry Branch and Senior Staff Fellow of the Clinical Neuroendocrinology Branch at the U.S. National Institute of Mental Health (NIMH).

Dr. Smith received his Bachelor's degree and Master of Science from Yale University, his Doctor of Medicine and Doctor of Philosophy in Physiology and Pharmacology from the University of California, San Diego, and completed his residency in the Department of Psychiatry at Duke University Medical Center. He currently serves on the National Institute of Mental Health Translational Neuropsychopharmacology Task Force

Nils Christian Bottler, 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. Mr. Bottler's 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 RHÖNKLINIKUM AG.

Jeremy Fryzuk, 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.

Douglas Williamson, Director

Dr. Williamson has more than 25 years of scientific, clinical, and medical experience and currently serves as Senior Vice President, Head of U.S. R&D and Deputy Global Chief Medical Officer for Lundbeck. During his time at Lundbeck, he has overseen multiple cross-functional teams across clinical development and operations, medical affairs, value evidence (health outcomes), patient safety, clinical pharmacology, and regulatory affairs. He also led the transformation of the U.S. and Canadian R&D organizations and co-led the task force in setting U.S. policy for COVID precautions and remote working.

Prior to Lundbeck, Dr. Williamson served as Vice President, Global Head Therapeutic Area leadership at Parexel International, where he developed and instituted therapeutic area strategies to guide new business acquisitions. He was also the functional head of the medical group across all therapeutic areas. Previously, Dr. Williamson held multiple roles at Eli Lilly and Company, including Head, Early Phase Clinical Development Neuroscience, where he oversaw the clinical development of all novel molecules in the psychiatry, pain, and neurodegeneration portfolio. Dr. Williamson earned a Bachelor of Medicine and Surgery (MBChB) degree from Edinburgh University in Scotland and is a member of the Royal College of Psychiatrists.

Jan Pedersen, Director and Chief Science Officer

Jan Pedersen, PhD, MSc, is an innovative and highly experienced leader in drug discovery research, with more than 25 years of expertise in neuroscience research management. Dr. Pedersen's academic interests include neurodegeneration, bioinformatics, biophysics and drug discovery R&D. He is the founder of Torleif Science ApS, a consultancy company aimed at delivering innovation and new ideas in neuroscience. Prior to that, Dr. Pedersen spent 20 years at Lundbeck, a global pharmaceutical company specialized in brain diseases, in positions of increasing responsibility, including building its neurodegeneration/Alzheimer's disease pipeline, and bringing research programs to the clinic. Dr. Pedersen received an MSc in Chemistry from DTU - Technical University of Denmark, and a PhD in biophysics from the University of Bath.

Family Relationships

There are no family relationships among any of our directors and executive officers.

Term of Office

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the Board thinks fit and are subject to termination at the pleasure of the Board, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity. The Board may, from time to time, appoint such officers, if any, as it determines and the Board may, at any time, terminate any such appointment.

Involvement in Certain Legal Proceedings

Except as disclosed below, during the past ten years, none of our directors or executive officers have been the subject of the following events:

1. a petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

   (a) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

   (b) engaging in any type of business practice; or

   (c) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph 3.i in the preceding paragraph or to be associated with persons engaged in any such activity;

5. was found by a court of competent jurisdiction in a civil action or by the SEC to have violated any Federal or State securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated;

6. was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

   (a) any Federal or State securities or commodities law or regulation;

   (b) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or

   (c) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

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 British Columbia Securities Commission (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 Annual Report. Mr. Cheung resigned as CFO on April 30, 2013 and resigned as CEO and director on April 28, 2015.

Director Independence

Our Board of Directors has determined that the following directors are independent as such directors do not have a direct or indirect material relationship with our Company. A "material relationship" is a relationship which could, in the view of our Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

- Douglas Williamson;
- Nils Bottler; and
- Jeremy Fryzuk.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the "**Code of Ethics**") that applies to all of our employees and officers, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Code of Ethics meets the requirements for a "code of ethics" within the meaning of that term in Item 16B of Form 20-F. A copy of our Code of Ethics will be provided to any person without charge upon request. All requests for a copy of our Code of Ethics should be directed in writing to the attention of Ian McDonald at ian@brightmindsbio.com.

B. Compensation

Compensation Discussion and Analysis

This section sets out the objectives of our Company's executive compensation arrangements, our Company's executive compensation philosophy and the application of this philosophy to our Company's executive compensation arrangements. It also provides an analysis of the compensation design, and the decisions that the Board of Directors made in fiscal 2022 with respect to its Named Executive Officers (as herein defined). When determining the compensation arrangements for the Named Executive Officers, our Compensation Committee considers the objectives of: (i) retaining an executive critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a small biotechnology company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO. The compensation of the Company's executives is determined by the Board after the recommendation of the CEO. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- attracting and retaining qualified executives;
- motivating the short and long-term performance of these executives; and
- better aligning their interests with those of the Company's shareholders.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the biotechnology industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- the particular responsibilities related to the position;
- salaries paid by other companies in the biotechnology industry which were similar in size as the Company;
- the experience level of the executive officer;
- the amount of time and commitment which the executive officer devotes to the Company; and
- the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Executive Compensation

Except for the grant of incentive share options and restricted share unit awards to the NEOs and any compensation payable pursuant to an executive compensation agreement between the CEO or CFO and the Company, there are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

The directors receive no cash compensation for acting in their capacity as directors of the Company.

Except for the grant to directors of stock options and restricted share unit awards, there are no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Compensation

The Company believes that encouraging its executives and consultants to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's existing stock option plan and its restricted share unit plan. Stock options and RSUs are granted to executives and employees taking into account a number of factors, including the amount and term of options and RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of options and RSUs granted are determined by the Compensation and Corporate Governance Committee based on recommendations put forward by the CEO. Prior to the establishment of the Compensation and Corporate Governance Committee, grants of stock options and RSUs were considered and approved by the board of directors of the Company.

Compensation Review Process

Risks Associated with the Company's Compensation Program

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial years ending September 30, 2022, September 30, 2021 or September 30, 2020.

Benefits and Perquisites

The Company does not, as of the date of this Annual Report offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options and RSUs as otherwise disclosed and discussed herein.

Hedging by Directors or NEOs

The Company has adopted a policy restricting directors, officers and employees of the Company from hedging or monetizing transactions to lock in the value of holdings in securities (whether debt or equity) of the Company. The objective of the policy is to prohibit individuals subject to the policy from (i) directly or indirectly engaging in the hedging against future declines in the market value of any securities of the Company (including through the purchase of financial instruments designed to offset such risk), and (ii) pledging Company securities as collateral for a loan (whether in a margin account or otherwise).

As of the date of this Annual Report, entitlement to grants of incentive stock options under the Option Plan (as defined herein) and unit awards under the RSU Plan (as defined herein) are the only equity security elements awarded by the Company to its executive officers and directors.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Bright Minds or its subsidiaries, to each of the executive officers set out below (each, an "**NEO**"), in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to Bright Minds for the periods indicated.

Named Executive Officer and Principal Position	Year	Salary (C$)	Share based awards (C$)	Option based awards (C$)[1]	Annual Incentive Plan (C$)	Long-term Incentive Plan (C$)	Pension Value (C$)	All Other Compen-sation (C$)	Total Compen-sation (C$)
Ian McDonald[2] *President and CEO*	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Cheung[3] *CFO*	2022	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
	2021	86,575	Nil	23,126	Nil	Nil	Nil	Nil	109,701
	2020	22,575	Nil	Nil	Nil	Nil	Nil	Nil	22,575
Revati Shreeniwas[4] *Former Chief Medical Officer*	2022	383,850	123,052	Nil	Nil	Nil	Nil	Nil	506,902
	2021	244,084	236,652	Nil	Nil	Nil	Nil	Nil	480,736
	2020	26,777	23,300	138,000	Nil	Nil	Nil	Nil	188,077
Dr. Alan Kozikowski[5] *Former Chief Science Officer*	2022	188,850	Nil	Nil	Nil	Nil	Nil	Nil	188,850
	2021	246,655	Nil	Nil	Nil	Nil	Nil	Nil	246,655
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jan Pedersen[6] *Chief Science Officer*	2022	174,215	46,529	Nil	Nil	Nil	Nil	Nil	220,744
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Option-based awards represent the fair value of stock options granted in the year under our Stock Option Plan. The fair value of stock options granted is calculated as of the grant date using the Black-Scholes option pricing model. For discussion of the assumptions made in the valuation, refer to Note 6 to our financial statements for our fiscal year ended September 30, 2020.

(2) Mr. McDonald was appointed President and a director of the Company on May 31, 2019 and as CEO on June 5, 2020.

(3) Mr. Cheung was appointed CFO of the Company on May 29, 2020.

(4) Dr. Shreeniwas was engaged as Chief Medical Officer of the Company on June 5, 2020 and her engagement with the Company was terminated on November 22, 2022

(5) Dr. Kozikowski was engaged as Chief Science Officer of the Company on October 29, 2020 and ceased to hold the position of Chief Science Officer on June 26, 2022.

(6) Dr. Pedersen was engaged as Interim Chief Science Officer of the Company on June 26, 2022 and permanent Chief Science Officer on September 22, 2022.

Executive Compensation Agreements

The Company entered into an 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 nondisclosure, noncompetition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party. Dr. Kozikwoski ceased to hold the position of Chief Science Officer on June 26, 2022, and accordingly, the Independent Contractor Agreement is no longer in force and effect.

The Company entered into an Independent Consultant Agreement dated June 5, 2020, between the Company and a corporation controlled by Dr. Revati Shreeniwas, pursuant to which Dr. Revati Shreeniwas was engaged to perform services as Chief Medical Officer of the Company. The agreement contains standard nondisclosure, noncompetition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party. Dr. Revati Shreeniwas' engagement with the Company was terminated on November 22, 2022, and accordingly, the CMO ICA is no longer in force and effect

The Company entered into an 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 nondisclosure, noncompetition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party.

The Company entered into an Independent Contractor Agreement dated December 1, 2022 between the Company and Dr. Mark A. Smith engaging the services of Dr. Smith as Chief Medical Officer of the Company for annual compensation of US$205,000. The agreement contains standard nondisclosure, noncompetition and non-solicitation provisions and automatically renews on an annual basis unless terminated by either party

Other than as set out above, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities).

Securities Authorized For Issuance Under Equity Compensation Plans

The Company has two equity compensation plans: (i) a 10% "rolling" stock option plan, and (ii) a 10% "rolling" restricted share unit plan, as described in this Annual Report. The Company received shareholder approval of the Option Plan and RSU Plan on May 18, 2021.

The following table sets forth details of the Company's equity compensation plan information as at the financial year ended September 30, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options and settlement of outstanding RSUs (a)	Weighted-average exercise price of outstanding options ($) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	915,807 (Options) 540,000 (RSUs)	$3.64 (Options/RSUs)	843,428 (Options) N/A (RSUs)
Equity compensation plans not approved by securityholders[(2)]	N/A	N/A	N/A
Total	915,807 (Options) 540,000 (RSUs)		843,428 (Options) N/A (RSUs)

Stock Option Plan

The Company adopted a 10% rolling stock option plan (the "**Option Plan**"), which became effective on July 1, 2020.

The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Option Plan provides that the number of Common Shares issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Company's issued and outstanding Common Shares.

The Option Plan is administered by the board of directors of the Company or by a special committee of the directors appointed from time to time by the board of directors of the Company. The maximum term may not exceed ten (10) years from the date of grant.

The following information is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan. All capitalized words used but not defined have the meanings ascribed to such term in the Option Plan:

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

- the exercise price of any Option issued under the 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
- the Board, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

The foregoing summary of the Option Plan is not complete and is qualified in its entirety by reference to the Option Plan, which is filed as Exhibit 15.1 to the Company's registration statement on Form 20-F as filed with the SEC on June 17, 2021.

Restricted Share Unit Plan and Restricted Share Units

The Company has in place a restricted share unit plan which became effective July 1, 2020 (the "**RSU Plan**"). A copy of the RSU Plan is filed as Exhibit 15.2 to the Company's registration statement on Form 20-F as filed with the SEC on June 17, 2021. The RSU Plan was designed to provide certain directors, officers, consultants and other key employees (an "**Eligible Person**") of the Company and its related entities with the opportunity to acquire restricted share units ("**RSUs**") of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Persons. The following is a summary of the RSU Plan. Capitalized terms used but not defined have the meanings ascribed to them in the RSU 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, 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 and NASDAQ 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.

Incentive Plan Awards

Outstanding Option-based Awards

The following table sets out the option-based awards outstanding as at September 30, 2022, for any NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date m - d - y	Value of unexercised in-the-money options(1) ($)
Ryan Cheung *CFO*	25,000	$1.25	11-17-2025(2)	$11,250
Revati Shreeniwas *Former Chief Medical Officer*	150,000	$1.25	07-23-2025(3)(4)	$67,500

Notes:

(1) The value is the difference between the closing price of $1.70 per common share on the Canadian Securities Exchange at September 30, 2022 and the exercise price of the options.
(2) Options were granted during the year ended September 30, 2021.
(3) Options were granted during the year ended September 30, 2020.
(4) Dr. Revati Shreeniwas' engagement with the Company was terminated on November 22, 2022; options held by Dr. Revati Shreeniwas expire 90 days from her date of termination.

Outstanding Share-Based Awards

The following table sets out share-based awards outstanding as at September 30, 2022, for any NEO:

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Revati Shreeniwas[(1)] *Former Chief Medical Officer*	190,000	323,000	323,000
Jan Pedersen *Chief Science Officer*	75,000	127,500	42,500

Notes:

(1) Dr. Revati Shreeniwas' engagement with the Company was terminated on November 22, 2022.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets out the value vested or earned under the Option Plan awards and the RSU Plan awards during the financial year ended September 30, 2022, for each NEO:

Name of NEO	**Option-based awards - Value vested during the year ($)**	**Share-based awards - Value vested during the year ($)**	**Non-equity incentive plan compensation - Value earned during the year ($)**
Ian McDonald	Nil	Nil	Nil
Ryan Cheung	Nil	Nil	Nil
Revati Shreeniwas[(1)]	Nil	123,052	Nil

Notes:

(1) Dr. Revati Shreeniwas' engagement with the Company was terminated on November 22, 2022.

Director Compensation for Fiscal 2022

The following table sets forth all compensation for services as a director to the Company during the fiscal years ended September 30, 2022, 2021, and 2020 in respect of the directors set out below, which for those directors who are NEOs excludes compensation for services provided as an NEO:

Name	**Year**	**Salary ($)**	**Share- based Awards ($)**	**Option-based Awards[(1)] ($)**	**All Other Compensation ($)**	**Total Compensation ($)**
Ian McDonald	2022 2021 2020	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Nils Christian Bottler	2022 2021 2020	Nil Nil Nil	Nil Nil Nil	23,900 39,237 Nil	Nil Nil Nil	23,900 39,237 Nil
Jeremy Fryzuk	2022 2021 2020	Nil Nil Nil	Nil Nil Nil	23,900 39,237 Nil	Nil Nil Nil	23,900 39,237 Nil
Dr. Alan Kozikowski[(2)]	2022 2021 2020	188,850 246,655 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	188,850 246,655 Nil

Dr. Emer Leahy[3]	2022 2021 2020	Nil Nil Nil	Nil Nil Nil	(58,132) 58,132 Nil	Nil Nil Nil	(58,132) 58,132 Nil
Jan Pedersen[4]	2022 2021 2020	174,215 N/A N/A	46,529 N/A N/A	Nil N/A N/A	Nil N/A N/A	220,744 N/A N/A
Douglas Williamson[5]	2022 2021 2020	Nil N/A N/A	63,241 N/A N/A	Nil N/A N/A	Nil N/A N/A	63,241 N/A N/A

Notes:

(1) Option-based awards represent the fair value of stock options granted in the year under our Stock Option Plan. The fair value of stock options granted is calculated as of the grant date using the Black-Scholes option pricing model. For discussion of the assumptions made in the valuation, refer to Note 6 to our financial statements for our fiscal year ended September 30, 2022.
(2) Dr. Alan Kozikwoski ceased to hold the position of Chief Science Officer on June 26, 2022.
(3) Dr. Emer Leahy resigned as a director on April 25, 2022.
(4) Jan Pedersen was appointed as a director on April 27, 2022.
(5) Douglas Williamson was appointed as a director on September 6, 2022.

We reimburse out-of-pocket costs that are incurred by the directors.

Outstanding Option-based Awards

The following table sets out the option-based awards outstanding as at September 30, 2022, for each director, excluding a director who is already set out in disclosure for an NEO of the Company:

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date m - d - y**	**Value of unexercised in-the-money options[1] ($)**
Jeremy Fryzuk	80,000	$1.25	11-17-2025[2]	$36,000
Nils Bottler	80,000	$1.25	11-17-2025[2]	$36,000
Douglas Williamson	80,000	$2.46	09-26-2027[3]	Nil

Notes:

(1) The value is the difference between the closing price of $1.70 per common share on the Canadian Securities Exchange at September 30, 2022 and the exercise price of the options.
(2) Options were granted during the year ended September 30, 2021.
(3) Options were granted during the year ended September 30, 2022.

Outstanding Share-Based Awards

There are no share-based awards outstanding as at September 30, 2022 for any of the directors of the Company, excluding a director who is already set out in disclosure for an NEO of the Company.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets out the value vested or earned under the Option Plan awards and the RSU Plan awards during the financial year ended September 30, 2022, for each director, excluding a director who is already set out in disclosure for an NEO for the Company:

Name	**Option-based awards - Value vested during the year ($)**	**Share-based awards - Value vested during the year ($)**	**Non-equity incentive plan compensation - Value earned during the year ($)**
Ian McDonald	Nil	Nil	Nil

Name	Option-based awards - Value vested during the year ($)	Share-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earnedduring the year ($)
Dr. Alan Kozikowski[1]	Nil	Nil	Nil
Jeremy Fryzuk	23,900	Nil	Nil
Nils Bottler	23,900	Nil	Nil
Dr. Emer Leahy[2]	(58,132)	Nil	Nil

Notes:

(1) Dr. Alan Kozikwoski ceased to hold the position of Chief Science Officer on June 26, 2022.
(2) Dr. Emer Leahy resigned as a director on April 25, 2022.

Pension Benefits

We do not have any defined benefit pension plans or any other plans providing for retirement payments or benefits.

Termination of Employment and Change of Control Benefits

Details with respect to termination of employment and change of control benefits for our directors and executive officers is reported above under the section titled "Executive Compensation Agreements".

C. Board Practices

Board of Directors

Our Notice of Articles and Articles were filed as Exhibit 1.1 to our registration statement on Form 20-F as filed with the SEC on September 16, 2021and incorporated herein by reference. The Articles of the Company provide that the number of directors is set at:

(a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given); and

(c) if the Company is not a public company, the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given).

The Board currently consists of five directors. The directors are elected annually at each annual meeting of our Company's shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

The Board is responsible for appointing the Company's officers.

Board of Director Committees

The Board currently has three committees, the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee, and the Corporate Disclosure Committee.

Audit Committee

The Audit Committee consists of Douglas Williamson, Jeremy Fryzuk and Nils Christian Bottler (Chair). Each member of the Audit Committee satisfies the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq and meets the independence standards under Rule 10A-3 under the Exchange Act. The Audit Committee consists solely of independent directors that satisfy the Nasdaq and SEC requirements. The Audit Committee oversees the accounting and financial reporting processes and the audits of the financial statements of the Company. The Audit Committee is responsible for, among other things:

- ensuring, through discussion with management and the external auditors, that the Company's annual and quarterly financial statements (individually and collectively, the "**Financial Statements**"), as applicable, present fairly in all material respects the financial conditions, results of operations and cash flows of the Company as of and for the periods presented;

- reviewing and recommending for approval to the Board, the Company's financial statements, accounting policies that affect the financial statements, annual MD&A and associated press release(s);

- reviewing significant issues affecting financial reports;

- monitoring the objectivity and credibility of the Company's financial reports;

- considering the effectiveness of the Company's internal controls over financial reporting and related information technology security and control;

- reviewing with auditors any issues or concerns related to any internal control systems in the process of the audit;

- reviewing with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting;

- overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; and

- taking such other actions within the general scope of its responsibilities as the Audit Committee shall deem appropriate or as directed by the Board of Directors.

Nominating and Corporate Governance Committee

On June 13, 2021, 2021, the Board of Directors adopted a new Nominating and Corporate Governance Committee Charter that complies with the requirements of Nasdaq Listing Rule 5605(e)(2), and has established a nominating and corporate governance committee (the "**N&CG Committee**") which operates under its Nominating and Corporate Governance Committee Charter. The N&CG Committee is currently comprised of Nils Bottler (Chair), Jeremy Fryzuk and Douglas Williamson. The N&CG Committee is responsible for (i) identifying and recommending to the Board, individuals qualified to be nominated for election to the Board; (ii) recommending to the Board, the members and chairperson for each Board committee; and (iii) periodically reviewing and assessing the Company's corporate governance principles contained in the Nominating and Corporate Governance Committee Charter and making recommendations for changes thereto to the Board.

The N&CG Committee is responsible for, among other things:

- leading the Company's search for individuals qualified to become members of the Board;

- evaluating and recommending to the Board for nomination candidates for election or re-election as directors;

- establishing and overseeing appropriate director orientation and continuing education programs;

- making recommendations to the Board regarding an appropriate organization and structure for the Board of Directors;

- evaluating the size, composition, membership qualifications, scope of authority, responsibilities, reporting obligations and charters of each committee of the Board;

- periodically reviewing and assessing the adequacy of the Company's corporate governance principles as contained in the Nominating and Corporate Governance Committee Charter and, should it deem it appropriate, it may develop and recommend to the Board of Directors for adoption of additional corporate governance principles;

- periodically reviewing the Company's Articles in light of existing corporate governance trends, and shall recommend any proposed changes for adoption by the Board of Directors or submission by the Board of Directors to the Company's shareholders;
- making recommendations on the structure and logistics of Board of Directors' meetings and may recommend matters for consideration by the Board of Directors;
- considering, adopting and overseeing all processes for evaluating the performance of the Board of Directors, each committee and individual directors; and
- annually reviewing and assessing its own performance.

Compensation Committee

On June 13, 2021, the Board of Directors adopted a new Compensation Committee Charter which complies with the requirements of Nasdaq Listing Rule 5605(d)(1) and the Board of Directors has established a Compensation Committee (the "**Compensation Committee**"). The Compensation Committee is comprised of Nils Bottler (Chair), Douglas Williamson and Jeremy Fryzuk.

The Compensation Committee assists the Board in fulfilling its oversight responsibilities relating to officer and director compensation, succession planning for senior management, development and retention of senior management and such other duties as directed by the Board.

Each of the Compensation Committee members satisfies the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of Nasdaq. The Compensation Committee will be responsible for, among other things:

- reviewing and approving the Company's compensation guidelines and structure;
- reviewing and approving on an annual basis the corporate goals and objectives with respect to the CEO of the Company;
- reviewing and approving on an annual basis the evaluation process and compensation structure for the Company's other officers, including salary, bonus, incentive and equity compensation;
- reviewing the Company's incentive compensation and other equity-based plans and recommending changes in such plans to the Board as needed.
- Periodically making recommendations to the Board regarding the compensation of non-management directors, including Board and committee retainers, meeting fees, equity-based compensation and such other forms of compensation and benefits as the Committee may consider appropriate; and
- overseeing the appointment and removal of executive officers, and reviewing and approving for executive officers, including the CEO, any employment, severance or change in control agreements.

Corporate Disclosure Committee

The Company's Corporate Disclosure Committee consists of Nils Bottler (Chair), Douglas Williamson and Jeremy Fryzuk. The Corporate Disclosure Committee oversees the effectiveness of risk management policies, procedures and practices implemented by management of the Company with respect to the Company's disclosure controls and procedures.

D. Employees

As of December 28, 2022, the Company has no employees, and operated solely through the use of our consultants. However, the Company's wholly-owned subsidiary, Bright Minds Biosciences LLC, has two employees.

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

- 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;
- 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;
- Scientific Advisory Board Agreement dated April 21, 2021 between the Company and Jianmin Duan, engaging Jiamin Duan as a member of the Company's Scientific Advisory Board and as a consultant to the Company;
- Consulting agreement dated August 15, 2020 between the Company and Dr. Krista Lanctot, engaging the public relations services of Dr. Lanctot as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and Werner Tueckmantel, engaging the public relations services of Mr. Tueckmantel as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and John McCorvy, engaging the public relations services of Dr. McCorvy as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and Peter Kowey, MD, engaging the public relations services of Dr. Kowey as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and Arina Zhukova engaging the services of Ms. Zhukova as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and Laurentiu Nicolae, engaging the services of Mr. Nicolae as a consultant;
- Consulting agreement dated August 15, 2020 between the Company and Jesse Damsker engaging the services of Dr. Damsker as a consultant;
- Consulting Agreement dated January 25, 2021 between the Company and John McCall, engaging the services of Mr. McCall as a consultant;
- Consulting agreement dated December 22, 2020 between the Company and Toxicology Services, Inc., engaging the services of Dr. Thomas Grizzle as a consultant;
- Scientific Advisory Board Agreement dated February 4, 2022 between the Company and Robert C. Malenka, engaging Mr. Malenka as a member of the Company's Scientific Advisory Board;
- Independent contractor agreement dated February 11, 2022 between the Company and Herbert Y. Meltzer, engaging the services of Mr. Meltzer as a consultant;
- Scientific Advisory Board Agreement dated March 22, 2022 between the Company and Michael Bogenschutz, engaging Mr. Bogenschutz as a member of the Company's Scientific Advisory Board; and
- Scientific Advisory Board Agreement dated April 11, 2022 between the Company and Karl Deisseroth, engaging Mr. Deisseroth as a member of the Company's Scientific Advisory Board.

E. Share Ownership

Shares

The shareholdings of our officers and directors are set out in Item 7 below.

Options

The Options, exercisable into common shares of the Company, held by our officers and directors are set out in Item 6 B above.

Warrants

The Company's officers and directors do not hold any warrants exercisable into commons shares of the Company.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of our common share as of December 28, 2022 by: (a) each stockholder who is known to us to own beneficially 5% or more of our outstanding common share; (b) all directors; (c) our executive officers; and (d) all executive officers and directors as a group. Except as otherwise indicated, all persons listed below have (i) sole voting power and investment power with respect to their common shares, except to the extent that authority is shared by spouses under applicable law, and (ii) record and beneficial ownership with respect to their common shares.

Name	Common Shares of the Company Beneficially Owned (1)	Percentage of Common Shares Beneficially Owned (2)
Directors and Executive Officers:		
Ian McDonald, Chief Executive Officer, President and Director	914,900	4.89%
Ryan Cheung(3), Chief Financial Officer	25,000	0.13%
Gideon Shapiro(4), Vice President (Discovery)	1,496,000	8.00%
Jeremy Fryzuk(5) , Director	72,800	0.39%
Nils Bottler(6), Director	72,800	0.39%
Douglas Williamson(7), Director	20,000	0.11%
Directors and Executive Officers as a Group (6 persons)	**2,601,500**	13.90%
Other 5% or more Shareholders:		
Dr. Alan Kozikowski(8)	2,003,500	10.71%

Notes

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or common shares: (i) voting power, which includes the power to vote, or to direct the voting of common shares; and (ii) investment power, which includes the power to dispose or direct the disposition of common shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the common shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of common shares actually outstanding on December 23, 2021.

(2) The percentage is calculated based on 18,710,359 common shares that were outstanding as of December 28, 2022.

(3) Shares beneficially owned consist of stock options to purchase 25,000 Common Shares.

(4) Shares beneficially owned consist of 1,496,000 Common Shares held directly by Mr. Shapiro.

(5) Shares beneficially owned consist of (i) 20,000 Common Shares held directly by Mr. Fryzuk, and (ii) stock options to purchase 52,800 Common Shares which have vested.

(6) Shares beneficially owned consist of (i) 20,000 Common Shares held directly by Mr. Bottler, and (ii) stock options to purchase 52,800 Common Shares which have vested.

(7) Shares beneficially owned consist of stock options to purchase 20,000 Common Shares which have vested.

(8) Shares beneficially owned consist of 2,002,500 Common Shares held directly by Mr. Kozikowski.

The information as to shares beneficially owned, not being within our knowledge, has been furnished by the officers and directors.

As at December 28, 2022, there were 141 holders of record of our common shares.

Transfer Agent

Our Common Shares are recorded in registered form on the books of our transfer agent, Computershare Trust Company located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

B. Related Party Transactions

Dr. Revati Shreeniwas

On June 5, 2020, the Company entered into an independent consultant agreement (the "**CMO ICA**") whereby the consultant Revati, Inc., a private corporation incorporated in the State of California, USA, was engaged and the consultant's representative, Dr. Revati Shreeniwas, 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 cash portion of the consultant's fees was US$15,000 per month until August 2021, when it was amended to US$25,000 per month. The non-cash portion of the consultant's fees for the first year of the term was in the form of a grant of 150,000 vested stock options and 150,000 RSUs. The services will continue for an initial term of one year unless sooner terminated. The CMO 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 CMO ICA will automatically be extended for additional one-year period(s) unless either party gives the other 30 days written notice. Dr. Revati Shreeniwas' engagement with the Company was terminated on November 22, 2022, and accordingly, the CMO ICA is no longer in force and effect.

Dr. Alan Kozikowski

On October 29, 2020, the Company entered into an independent contractor agreement (the "**CSO ICA**") whereby the contractor, Dr. Alan Kozikowski, 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 CSO 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 CSO ICA will automatically be extended for additional one-year period(s) unless the Company provides contractor with 30 days written notice. Dr. Kozikwoski ceased to hold the position of Chief Science Officer on June 26, 2022, and accordingly, the CSO ICA is no longer in force and effect.

Dr. Mark A. Smith

On December 1, 2022, the Company entered into an independent contractor agreement (the "**Smith ICA**") whereby the contractor, Dr. Mark A. Smith, was engaged as the Company's Chief Medical Officer. For the provision of services, the contractor will be compensated US$205,000 annually, payable in monthly installments, and the contractor also received a US$35,000 signing bonus. The services will continue for an initial term of one year unless sooner terminated. The Smith ICA can be terminated by the Company providing one months' written notice, the contractor providing three months' written notice or by mutual written agreement. At the end of the initial term, the Smith ICA will automatically be extended for additional one-year period(s) unless the Company provides contractor with 30 days written notice.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

The financial statements of the Company for the years ended September 30, 2022, 2021, and 2020 have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board, or IASB, and are included under Item 18 of this Annual Report. The financial statements including related notes are accompanied by the report of the Company's independent registered public accounting firm, DeVisser Gray LLP.

Legal Proceedings

As of the date of this Annual Report, in the opinion of our management, we are not currently a party to any litigation or legal proceedings which are material, either individually or in the aggregate, and, to our knowledge, no legal proceedings of a material nature involving us currently are contemplated by any individuals, entities or governmental authorities.

Dividends

We have not paid any dividends on our common shares since incorporation. Our management anticipates that we will retain all future earnings and other cash resources for the future operation and development of our business. We do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the Board of Directors' discretion, subject to applicable law, after taking into account many factors including our operating results, financial condition and current and anticipated cash needs.

B. Significant Changes

We have not experienced any significant changes since the date of the financial statements included with this Annual Report except as disclosed in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing

Our common shares are traded on the Canadian Securities Exchange and Nasdaq under the symbol "DRUG".

B. Plan of Distribution

Not applicable.

C. Markets

Please see Item 9.A above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following is a summary of the Company's Notice of Articles (the "**Notice of Articles**") and Articles (the "**Articles**"). You should read those documents for a complete understanding of the rights and limitations set out therein. The Company number, as assigned by the British Columbia Registry Services, is BC1210954.

Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. We must reimburse each director for the reasonable expenses that he or she may incur in and about our business. If any director performs any professional or other services for us that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive. Unless otherwise determined by ordinary resolution, the directors on our behalf may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with us or to his or her spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Number of Directors

According to Article 13.1 of our Articles, the number of directors, excluding additional directors appointed under Article 14.8 is set at:

(a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of our first directors;

(b) if we are a public company, the greater of three and the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
(ii) the number of directors in office pursuant to Article 14.4 of our Articles; and

(c) if we are not a public company, the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(ii) the number of directors in office pursuant to Article 14.4 of our Articles.

Directors

Our directors are elected annually at each annual meeting of our company's shareholders. Our Articles provide that the Board of Directors may, between annual meetings, appoint one or more additional directors to serve until the next annual meeting, but the number of additional directors must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors at the expiration of the last annual meeting of our company's shareholders.

Our Articles provide that our directors may from time to time on behalf of our company, without shareholder approval:

- subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- alter the identifying name of any of its shares;
- borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

- guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

Our Articles also provide that, we may by resolution of the directors authorize an alteration to our Notice of Articles to change our name or adopt or change any translation of that name.

Our Articles provide that the directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine. Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote. A director may participate in a meeting of the directors or of any committee of the directors in person, or by telephone or other communications medium, if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by the foregoing is deemed for all purposes of the BCBCA and our Articles to be present at the meeting and to have agreed to participate in that manner.
Our Articles provide that the quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Our Articles provide that a director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which we have entered or propose to enter is liable to account to us for any profit that accrues to the director under or as a result of the contract or transaction only if and to the extent provided in the BCBCA. A director who holds a disclosable interest in a contract or transaction into which we have entered or propose to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution. A director who holds a disclosable interest in a contract or transaction into which we have entered or propose to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting. A director who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director, must disclose the nature and extent of the conflict as required by the BCBCA. A director may hold any office or place of profit with us, other than the office of our auditor, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine. No director or intended director is disqualified by his or her office from contracting with us either with regard to the holding of any office or place of profit the director holds with us or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of us in which a director is in any way interested is liable to be voided for that reason.

Our Articles do not set out a mandatory retirement age for our directors. Our directors are not required to own our securities to serve as directors.

Authorized Capital

Our Notice of Articles provide that our authorized capital consists of an unlimited number of common shares, without par value.

Rights, Preferences and Restrictions Attaching to Our Shares

The BCBCA provides the following rights, privileges, restrictions and conditions attaching to our common shares:

- to vote at meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of our company, to share equally in the remaining property of our company on liquidation, dissolution or winding-up of our company; and

- subject to the rights of the preferred shares, the common shares are entitled to receive dividends if, as, and when declared by the Board of Directors

The provisions in our Articles attaching to our common shares may be altered, amended, repealed, suspended or changed by the affirmative vote of the holders of not less than two-thirds of the outstanding common shares.

With the exception of special resolutions (i.e. resolutions in respect of fundamental changes to our company, including: the sale of all or substantially all of our assets, an amalgamation or other arrangement or an alteration to our authorized capital that is not allowed by resolution of the directors) that require the approval of holders of two-thirds of the outstanding common shares entitled to vote at a meeting, either in person or by proxy, resolutions to approve matters brought before a meeting of our shareholders require approval by a simple majority of the votes cast by shareholders entitled to vote at a meeting, either in person or by proxy.

Shareholder Meetings

The BCBCA provides that: (i) a general meeting of shareholders must be held in British Columbia, or may be held at a location outside British Columbia if (A) the location is provided for in the articles, (B) the articles do not restrict the company from approving a location outside of British Columbia for the holding of the general meeting and the location for the meeting is (1) approved by the resolution required by the articles for that purpose, or (2) if no resolution is required for that purpose by the articles, approved by ordinary resolution, or (C) the location for the meeting is approved in writing by the Registrar of Companies for British Columbia before the meeting is held; (ii) directors must call an annual meeting of shareholders not later than 15 months after the last preceding annual meeting; (iii) for the purpose of determining shareholders entitled to receive notice of or vote at meetings of shareholders, the directors may fix in advance a date as the record date for that determination, provided that such date shall not precede by more than two months or by less than 21 days the date on which the meeting is to be held, and, if no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting; (iv) the holders of not less than 5% of the issued shares entitled to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition; (v) only shareholders entitled to vote at the meeting, our directors and our auditor are entitled to be present at a meeting of shareholders; and (vi) upon the application of a director or shareholder entitled to vote at the meeting, the British Columbia Supreme Court may order a meeting to be called, held and conducted in a manner that the Court directs.

Pursuant to Article 10.9 of our Articles, in addition to any location in British Columbia, any general meeting may be held in any location outside of British Columbia approved by a resolution of the directors.

Pursuant to Article 11.3 of our Articles, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Limitations on Rights of Non-Canadians

We are incorporated pursuant to the laws of the province of British Columbia. There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of common shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax, however no such remittances are likely in the foreseeable future. See "Certain Canadian Federal Income Tax Information For United States Residents" below.

There is no limitation imposed by Canadian law or by the charter or other constituent documents of our Company on the right of a non-resident to hold or vote common shares of our company. However, the Investment Canada Act (Canada) (the "Investment Act") has rules regarding certain acquisitions of shares by non-Canadians, along with other requirements under that legislation.

The following discussion summarizes the principal features of the Investment Act for a "non-Canadian" (as defined under the Investment Act) who proposes to acquire common shares of our Company. The discussion is general only; it is not a substitute for independent legal advice from an investor's own advisor; and it does not anticipate statutory or regulatory amendments.

The Investment Act is a federal statute of broad application regulating the establishment and acquisition of Canadian businesses by non-Canadians, including individuals, governments or agencies thereof, corporations, partnerships, trusts or joint ventures (each an "entity"). Investments by non-Canadians to acquire control over existing Canadian businesses or to establish new ones are either reviewable or notifiable under the Investment Act. If an investment by a non-Canadian to acquire control over an existing Canadian business is reviewable under the Investment Act, the Investment Act generally prohibits implementation of the investment unless, after review, the Minister of Innovation, Science and Industry (the "Minister") is satisfied that the investment is likely to be of net benefit to Canada.

A non-Canadian would acquire control of our Company for the purposes of the Investment Act through the acquisition of common shares if the non-Canadian acquired a majority of the voting interests in our Company.

Further, the acquisition of less than a majority but one-third or more of the voting interests in our Company by a non-Canadian would be presumed to be an acquisition of control of our Company unless it could be established that, on the acquisition, our Company was not controlled in fact by the acquirer through the ownership of such voting interests.

For a direct acquisition that would result in an acquisition of control of our Company, subject to the exception for "WTO-investors" that are controlled by persons who are nationals or permanent residents of World Trade Organization ("WTO") member nations, a proposed investment generally would be reviewable where the value of the acquired assets is CAD$5 million or more.

For a proposed indirect acquisition by an investor other than a so-called WTO investor that would result in an acquisition of control of our Company through the acquisition of a non-Canadian parent entity, the investment generally would be reviewable where the value of the assets of the entity carrying on the Canadian business, and of all other entities in Canada, the control of which is acquired, directly or indirectly is CAD$50 million or more.

In the case of a direct acquisition by a "WTO investor", the threshold is significantly higher. An investment in common shares of our Company by a WTO investor that is not a state-owned enterprise would be reviewable only if it was an investment to acquire control of the company and the enterprise value of the assets of the company was equal to or greater than a specified amount, which is published by the Minister after its determination for any particular year. For 2021, this amount is CAD$1.043 billion (unless the investor is controlled by persons who are nationals or permanent residents of countries that are party to one of a list of certain free trade agreements, in which case the amount is CAD$1.565 billion for 2021); each January 1, both thresholds are adjusted by a GDP (Gross Domestic Product) based index.

The higher WTO threshold for direct investments and the exemption for indirect investments do not apply where the relevant Canadian business is carrying on a "cultural business". The acquisition of a Canadian business that is a "cultural business" is subject to lower review thresholds under the Investment Act because of the perceived sensitivity of the cultural sector.

In 2009, amendments were enacted to the Investment Act concerning investments that may be considered injurious to national security. If the Minister has reasonable grounds to believe that an investment by a non-Canadian "could be injurious to national security," the Minister may send the non-Canadian a notice indicating that an order for review of the investment may be made. The review of an investment on the grounds of national security may occur whether or not an investment is otherwise subject to review on the basis of net benefit to Canada or otherwise subject to notification under the Investment Act.

Certain transactions, except those to which the national security provisions of the Investment Act may apply, relating to common shares of our Company are exempt from the Investment Act, including:

(a) the acquisition of our common shares by a person in the ordinary course of that person's business as a trader or dealer in securities;

(b) the acquisition of control of our company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Act, if the acquisition is subject to approval under the *Bank Act*, the *Cooperative Credit Associations Act*, the *Insurance Companies Act* or the *Trust and Loan Companies Act*; and

(c) the acquisition of control of our company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of our company, through the ownership of voting interests, remained unchanged.

C. <u>Material Contracts</u>

The following summary of our material agreements, all of which have been previously filed with the SEC, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of those agreements. There are no material contracts, other than those contracts entered into in the ordinary course of business, currently in place or to which we or any member of our group is a party, from the two years immediately preceding the publication of this Annual Report, except as follows:

Escrow Agreement

On January 28, 2021, the Company, Computershare Investor Services Inc. (the "**Escrow Agent**"), and certain shareholders (the "**Escrow Shareholders**") entered into an escrow agreement (the "**Escrow Agreement**") in connection with the listing of the Company's Common Shares on the CSE. The Escrow Agreement was entered into pursuant to Section 3.5 of National Policy 46-201 - *Escrow for Initial Public Offerings* which 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.

A total of 2,852,800 Common Shares and 1,948,000 warrants (collectively, the "**Escrowed Securities**") were placed in escrow with the Escrow Agent. The Escrowed Securities will be released from escrow in accordance with the following schedule:

Release Date	Amount of Securities to be Released
February 8, 2021	10% of Escrowed Securities
August 8, 2021	15% of Escrowed Securities
February 8, 2022	15% of Escrowed Securities
August 8, 2022	15% of Escrowed Securities
February 8, 2023	15% of Escrowed Securities
August 8, 2023	15% of Escrowed Securities
February 8, 2024	15% of Escrowed Securities

Underwriting Agreement

On February 23, 2021, the Company entered into an underwriting agreement (the "**Underwriting Agreement**") with Eight Capital (the "**Lead Underwriter**"), as lead underwriter and book-runner, Stifel Nicolaus Canada Inc., Beacon Securities Limited, and Haywood Securities Inc. (together with the Lead Underwriter, the "**Underwriters**"). The Underwriting Agreement was entered into in connection with the sale of 3,419,883 units of the Company (the "**2021 Units**") at a price of $7.57 per 2021 Unit for aggregate gross proceeds of $25,888,514.31 on March 17, 2021 pursuant to the Company's short form prospectus dated February 23, 2021 (the "**2021 Unit Offering**").

Each 2021 Unit consisted of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a "**2021 Warrant**"). Each 2021 Warrant is exercisable to acquire one Common Share (each, a "**2021 Warrant Share**") at an exercise price of $9.46 per 2021 Warrant Share until March 17, 2024, subject to adjustment and the Acceleration Right (as defined herein).

Pursuant to the Underwriting Agreement, the Underwriters were paid fees for their services in the amount of $916,317.13 plus expenses and received compensation warrants entitling them to purchase an aggregate of 132,666 Common Shares at a price of $7.57 per Common Share for a period of thirty-six months following closing.

Warrant Indenture

In connection with the 2021 Unit Offering, the Company and Computershare Trust Company of Canada (the "**Warrant Agent**") entered into a warrant indenture (the "**2021 Warrant Indenture**") dated March 17, 2021 governing the terms of the 2021 Warrants.

The 2021 Warrant Indenture provides for adjustment in the number of 2021 Warrant Shares issuable upon the exercise of the 2021 Warrants and/or the exercise price per 2021 Warrant Share upon the occurrence of certain events. However, no adjustment in the exercise price or the number of 2021 Warrant Shares issuable upon the exercise of the 2021 Warrants is required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price. Pursuant to the 2021 Warrant Indenture, the Company must give notice to the Warrant Agent and to the holders of the 2021 Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the 2021 Warrants or the number of 2021 Warrant Shares issuable upon exercise of the 2021 Warrants. The notice must be given not less than fourteen (14) days prior to any such applicable record date. If notice has been given and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the holders of the 2021 Warrants of such adjustment computation.

The 2021 Warrant Indenture also provides that, if, at any time following the closing of the Offering, the daily volume weighted average trading price of the Common Shares on the CSE for any ten (10) consecutive trading days equals or exceeds $13.25 per Common Share, the Company shall have the right to, upon issuing a news release, to accelerate the expiry date of the 2021 Warrants to a date that is at least thirty (30) days following the date of such news release (the "**Acceleration Right**").

No fractional 2021 Warrant Shares are issuable upon the exercise of any 2021 Warrants and no compensation will be paid in lieu of fractional 2021 Warrant Shares. Except as may be specifically provided in the 2021 Warrant Indenture, nothing in the 2021 Warrant Indenture or in the holding of a warrant certificate, entitlement to a 2021 Warrant or otherwise, confers or is to be construed as conferring upon holders of 2021 Warrants any right or interest whatsoever as a shareholder of the Company, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings the Company's shareholders or any other proceedings of the Company, or the right to dividends and other allocations.

Exclusive License Agreement

On April 23, 2021, the Company entered into the License Agreement with the UIC pursuant to which it was granted the License to the Inventions. The Company had previously been evaluating the Inventions pursuant to the Roth Kozikowski Agreement, as amended. In consideration for the License, the Company (i) paid the University a signing fee of US$100,000, less US$15,000 paid by the Company pursuant to the Option Agreement; and (ii) issued 63,000 Payment Shares to the University (part of which is received by the University on behalf of the University of North Carolina at Chapel Hill). Additionally, the Company will pay the University a royalty on net sales of products derived from the Inventions and a portion of all revenue received by the Company from sublicencees. The Payment Shares are subject to a voluntary hold period of five years from the date of issuance. See "Item 4. Information on the Company - B. Business Overview - Patent and Patent Applications - Kozikowski-Roth Patents."

Agency Agreement

On August 25, 2022, the Company entered into an agency agreement (the "**Agency Agreement**") with Eight Capital (the "**Agent**"). The Agency Agreement was entered into in connection with the sale of 2,858,000 units of the Company (the "**2022 Units**") at a price of $1.40 per 2022 Unit for aggregate gross proceeds of $4,001,200 on August 30, 2022 pursuant to the Company's prospectus supplement dated August 25, 2022 to its short form base shelf prospectus dated June 7, 2021 (the "**2022 Unit Offering**").

Each 2022 Unit consisted of one Common Share and one Common Share purchase warrant of the Company (a "**2022 Warrant**"). Each 2022 Warrant is exercisable to acquire one Common Share (each, a "**2022 Warrant Share**") at an exercise price of $1.76 per 2022 Warrant Share until August 30, 2024.

Pursuant to the Agency Agreement, the Agent was paid cash commission for their services in the amount of $280,084 plus expenses and received compensation warrants ("**Compensation Warrants**") entitling them to purchase an aggregate of 134,040 2022 Units at a price of $1.40 per 2022 Unit until August 30, 2024.

In connection with the 2022 Offering, H.C. Wainwright & Co. ("**HCW**) acted as the Company's U.S. capital markets advisor. As compensation for their services HCW was paid $93,326.80 plus expenses and received 91,158 Compensation Warrants.

Warrant Indenture

In connection with the 2022 Unit Offering, the Company and the Warrant Agent entered into a warrant indenture (the "**2022 Warrant Indenture**") dated August 30, 2022 governing the terms of the 2022 Warrants.

The 2022 Warrant Indenture provides for adjustment in the number of 2022 Warrant Shares issuable upon the exercise of the 2022 Warrants and/or the exercise price per 2022 Warrant Share upon the occurrence of certain events. However, no adjustment in the exercise price or the number of 2022Warrant Shares issuable upon the exercise of the 2022 Warrants is required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price. Pursuant to the 2022 Warrant Indenture, the Company must give notice to the Warrant Agent and to the holders of the 2022 Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the 2022 Warrants or the number of 2022 Warrant Shares issuable upon exercise of the 2022 Warrants. The notice must be given not less than fourteen (14) days prior to any such applicable record date. If notice has been given and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the holders of the 2022 Warrants of such adjustment computation.

No fractional 2022 Warrant Shares are issuable upon the exercise of any 2022 Warrants and no compensation will be paid in lieu of fractional 2022 Warrant Shares. Except as may be specifically provided in the 2022 Warrant Indenture, nothing in the 2022 Warrant Indenture or in the holding of a warrant certificate, entitlement to a 2022 Warrant or otherwise, confers or is to be construed as conferring upon holders of 2022 Warrants any right or interest whatsoever as a shareholder of the Company, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings the Company's shareholders or any other proceedings of the Company, or the right to dividends and other allocations.

D. Exchange Controls

We are incorporated pursuant to the laws of the Province of British Columbia, Canada. There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of common shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax, however no such remittances are likely in the foreseeable future. See "Certain Canadian Federal Income Tax Information For United States Residents" below.

There is no limitation imposed by Canadian law or by the charter or other constituent documents of our Company on the right of a non-resident to hold or vote common shares of our Company. However, the Investment Act has rules regarding certain acquisitions of shares by non-residents, along with other requirements under that legislation.

The following discussion summarizes the principal features of the Investment Act for a nonresident who proposes to acquire common shares of our Company. The discussion is general only; it is not a substitute for independent legal advice from an investor's own advisor; and it does not anticipate statutory or regulatory amendments.

The Investment Act is a federal statute of broad application regulating the establishment and acquisition of Canadian businesses by non-Canadians, including individuals, governments or agencies thereof, corporations, partnerships, trusts or joint ventures (each an "entity"). Investments by non-Canadians to acquire control over existing Canadian businesses or to establish new ones are either reviewable or notifiable under the Investment Act. If an investment by a non-Canadian to acquire control over an existing Canadian business is reviewable under the Investment Act, the Investment Act generally prohibits implementation of the investment unless, after review, the Minister of Industry, is satisfied that the investment is likely to be of net benefit to Canada.

A non-Canadian would acquire control of our Company for the purposes of the Investment Act through the acquisition of common shares if the non-Canadian acquired a majority of the common shares of our Company.

Further, the acquisition of less than a majority but one-third or more of the common shares of our Company would be presumed to be an acquisition of control of our Company unless it could be established that, on the acquisition, our Company was not controlled in fact by the acquirer through the ownership of common shares.

For a direct acquisition that would result in an acquisition of control of our Company, subject to the exception for "WTO-investors" that are controlled by persons who are resident in World Trade Organization ("**WTO**") member nations, a proposed investment would be reviewable where the value of the acquired assets is $5 million or more, or if an order for review was made by the federal cabinet on the grounds that the investment related to Canada's cultural heritage or national identity, where the value of the acquired assets is less than $5 million.

For a proposed indirect acquisition that is not a so-called WTO transaction and that would result in an acquisition of control of our Company through the acquisition of a non-Canadian parent entity, the investment would be reviewable where (a) the value of the Canadian assets acquired in the transaction is $50 million or more, or (b) the value of the Canadian assets is greater than 50% of the value of all of the assets acquired in the transaction and the value of the Canadian assets is $5 million or more.

In the case of a direct acquisition by or from a "WTO investor", the threshold is significantly higher. The 2016 threshold is $600 million, which threshold will be increased to $800 million in April 2017 for a two-year period. Other than the exception noted below, an indirect acquisition involving a WTO investor is not reviewable under the Investment Act.

The higher WTO threshold for direct investments and the exemption for indirect investments do not apply where the relevant Canadian business is carrying on a "cultural business". The acquisition of a Canadian business that is a "cultural business" is subject to lower review thresholds under the Investment Act because of the perceived sensitivity of the cultural sector.

In 2009, amendments were enacted to the Investment Act concerning investments that may be considered injurious to national security. If the Industry Minister has reasonable grounds to believe that an investment by a non-Canadian "could be injurious to national security," the Industry Minister may send the non-Canadian a notice indicating that an order for review of the investment may be made. The review of an investment on the grounds of national security may occur whether or not an investment is otherwise subject to review on the basis of net benefit to Canada or otherwise subject to notification under the Investment Canada Act. To date, there is neither legislation nor guidelines published, or anticipated to be published, on the meaning of "injurious to national security." Discussions with government officials suggest that very few investment proposals will cause a review under these new sections.

Certain transactions, except those to which the national security provisions of the Investment Act may apply, relating to common shares of our Company are exempt from the Investment Act, including:

(a) acquisition of common shares of the Company by a person in the ordinary course of that person's business as a trader or dealer in securities,

(b) acquisition of control of our Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions on the Investment Act, and

(c) acquisition of control of our Company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of our Company, through the ownership of common shares, remained unchanged.

E. Taxation

Certain Canadian Federal Income Tax Considerations for United States Residents

The following is a summary of certain Canadian federal income tax considerations generally applicable to the holding and disposition of our common shares acquired by a holder who, at all relevant times, (a) for the purposes of the Income Tax Act (Canada) (the "Tax Act") (i) is not resident, or deemed to be resident, in Canada, (ii) deals at arm's length with us and any underwriters that we have recently used, and is not affiliated with us or the underwriters that we have recently used, (iii) holds our common shares as capital property, (iv) does not use or hold the common shares in the course of carrying on, or otherwise in connection with, a business carried on or deemed to be carried on, in Canada and (v) is not a "registered non-resident insurer", an "authorized foreign bank" (each as defined in the Tax Act), or other holder of special status or in special circumstances, and (b) for the purposes of the Canada-U.S. Tax Convention (the "Tax Treaty"), is a resident of the United States, has never been a resident of Canada, does not have and has not had, at any time, a permanent establishment or fixed base in Canada, and who qualifies for the full benefits of the Tax Treaty. Holders who meet all the criteria in clauses (a) and (b) above are referred to herein as "**U.S. Holders**", and this summary only addresses such U.S. Holders.

This summary does not deal with special situations, such as the particular circumstances of traders or dealers, tax exempt entities, insurers or financial institutions, or other holders of special status or in special circumstances. Such holders, and all other holders who do not meet the criteria in clauses (a) and (b) above, should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder in force at the date hereof (the "Regulations"), the current provisions of the Tax Treaty, and our understanding of the administrative and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and assumes that any such Proposed Amendments will be enacted in the form proposed. However, such Proposed Amendments might not be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account tax laws of any province or territory of Canada or of any other jurisdiction outside Canada, which may differ significantly from those discussed in this summary.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of our securities must be expressed in Canadian dollars. Amounts denominated in United States currency generally must be converted into Canadian dollars using the rate of exchange that is acceptable to the Canada Revenue Agency.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Holder, and no representation with respect to the Canadian federal income tax consequences to any particular U.S. Holder or prospective U.S. Holder is made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, all prospective purchasers (including U.S. Holders as defined above) should consult with their own tax advisors for advice with respect to their own particular circumstances.

Withholding Tax on Dividends

Amounts paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends on our common shares to a U.S. Holder will be subject to Canadian withholding tax. Under the Tax Treaty, the rate of Canadian withholding tax on dividends paid or credited by us to a U.S. Holder that beneficially owns such dividends and qualifies for the full benefits of the Tax Treaty is generally 15% of the gross amount of the dividends (unless the beneficial owner is a company that owns at least 10% of our voting stock at that time, in which case the rate of Canadian withholding tax is generally reduced to 5%).

Dispositions

A U.S. Holder will, in general terms, not be subject to tax under the Tax Act on a capital gain realized on a disposition or deemed disposition of common shares unless the common shares are "taxable Canadian property" to the U.S. Holder for purposes of the Tax Act and the U.S. Holder is not entitled to relief under the Tax Treaty.

Provided the common shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the common shares generally will not constitute "taxable Canadian property" of a U.S. Holder at that time unless, at any time during the 60 month period immediately preceding the disposition, the following two conditions are met: (i) the U.S. Holder, persons with whom the U.S. Holder did not deal at arm's length, partnerships in which the U.S. Holder or such non-arm's length persons holds a membership interest (either directly or indirectly through one or more partnerships), or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of our company; and (ii) more than 50% of the fair market value of the common shares of the company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) or options in respect of, or interests in, or for civil law rights in, property described in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain other circumstances set out in the Tax Act, common shares could also be deemed to be "taxable Canadian property".

U.S. Holders who may hold common shares as "taxable Canadian property" should consult their own tax advisors with respect to the application of Canadian capital gains taxation, any potential relief under the Tax Treaty, and compliance procedures under the Tax Act, none of which is described in this summary.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

The documents concerning our Company referred to in this Annual Report may be viewed at our registered office, 1500 - 1055 West Georgia St., Vancouver, BC, V6E 4N7 (Telephone: (647) 407-2515), during normal business hours. Copies of our financial statements and other continuous disclosure documents required under the *Securities Act* (British Columbia) are available for viewing on SEDAR at www.sedar.com. All of the documents referred to are in English.

In addition, we have filed with the SEC a registration statement on Form 20-F under the Securities Act and the documents referred to in this Annual Report have been filed as exhibits to such Form 20-F with the SEC and may be inspected and copied at the public reference facility maintained by the SEC at 100F. Street NW, Washington, D.C. 20549. In addition, the SEC maintains a website at www.sec.gov that contains copies of documents that we have filed with the SEC using its EDGAR system.

I. Subsidiary Information

The Company has two wholly-owned subsidiaries: Bright Minds Biosciences LLC, a limited liability company formed pursuant to the laws of Delaware, and Bright Minds Bioscience Pty. Ltd., a company formed pursuant to the laws of Australia. Neither of the subsidiaries are material subsidiaries to the Company.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of controlling and reporting structures. 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, 2022, the Company had cash of $11,627,913, which was held with a major bank in Canada and a major bank in the United States. 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, 2022, the company had the following foreign currency balances - cash (US$862,731 and AUD $27,123), receivables (US$30,102 and AUD $42,000), prepaid (US$116,276 and AUD $13,417) and accounts payable (US$785,439 and AUD $215,218). 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, 2022, the company had cash of $11,627,913 to cover current liabilities of $1,472,489.

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 the 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, 2022.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There have not been any defaults with respect to dividends, arrearages or delinquencies since incorporation on May 31, 2019.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

There have been no material modifications to the rights of our security holders since incorporation on May 31, 2019.

Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 or 15d-15 under the Exchange Act, we have carried out an evaluation of the effectiveness of our Company's disclosure controls and procedures as of the end of the period covered by this Annual Report, that being as at September 30, 2022. This evaluation was carried out by our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2022.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Exchange Act Rules 13a-15(f) and 15d-15(f) define this as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that may have a material effect on the financial statements.

Under the supervision and with the participation of our CEO and CFO, our management assessed the effectiveness of our internal control over financial reporting as at September 30, 2022. In making this assessment, our management used the criteria, established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, our management concluded that our internal control over financial reporting was effective as at September 30, 2022.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by the Company's registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this Annual Report.

Changes In Internal Control Over Financial Reporting

Except as noted above, during the period ended September 30, 2022, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

As disclosed above, as of the date hereof, our Audit Committee is comprised of Douglas Williamson, Jeremy Fryzuk and Nils Christian Bottler (Chair), each of whom is independent under the listing standards regarding "independence" within the meaning of the Listing Rules of Nasdaq.

Our Board of Directors has determined that Nils Bottler qualifies as an audit committee financial expert pursuant to Items 16A(b) and (c) of Form 20-F. In addition, we believe that each member of the Audit Committee satisfies the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of Nasdaq, meets the independence standards under Rule 10A-3 under the Exchange Act and is financially literate under applicable Canadian laws.

ITEM 16B. CODE OF ETHICS

The Board has adopted a Code of Business Conduct and Ethics (the "**Code of Ethics**") that applies to all of our employees and officers, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Code of Ethics meets the requirements for a "code of ethics" within the meaning of that term in Item 16B of Form 20-F. A copy of our Code of Ethics will be provided to any person without charge upon request. All requests for a copy of our Code of Ethics should be directed in writing to the attention of Ian McDonald, President and CEO, at 1500-1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, or by email at ian@brightmindsbio.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth information regarding the amount billed and accrued to us by DeVisser Gray LLP for the fiscal year ended September 30, 2022 and 2021:

	Year Ended September 30	
	2022	2021
Audit Fees:	$98,000	$98,125
Audit Related Fees:	$-	$-
Tax Fees:	$2,000	$1,750
Total:	$100,000	$99,875

Audit Fees

This category includes the aggregate fees billed by our independent auditor for the audit of our annual financial statements, reviews of interim financial statements that are provided in connection with statutory and regulatory filings or engagements.

Audit Related Fees

This category includes the aggregate fees billed in each of the last two fiscal years for assurance and related services by our independent auditor that are reasonably related to the performance of the audits or reviews of the financial statements and are not reported above under "Audit Fees", and generally consist of fees for other engagements under professional auditing standards, accounting and reporting consultations.

Tax Fees

This category includes the aggregate fees billed in each of the last two fiscal years for professional services rendered by our independent auditor for tax compliance, tax planning and tax advice.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Auditors

The policy of our Audit Committee is to pre-approve all audit and permissible non-audit services to be performed by our independent auditors during the fiscal year.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Company is a foreign private issuer and our common shares are listed on Nasdaq. Nasdaq Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practices in lieu of most of the requirements of the 5600 Series of the Nasdaq Marketplace Rules. In order to claim such an exemption, the Company must disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic issuers under Nasdaq's corporate governance requirements. Set forth below is a brief summary of such differences.

Shareholder Approval Requirements

Nasdaq Marketplace Rule 5635 requires each issuer to obtain shareholder approval prior to certain dilutive events, including a transaction other than a public offering involving the sale of 20% or more of the issuer's common shares outstanding prior to the transaction for less than the greater of book or market value of the stock. The Company does not follow this Nasdaq Marketplace Rule. Instead, and in accordance with the Nasdaq exemption, the Company complies with British Columbia corporate and securities laws, which do not require shareholder approval for dilutive events unless the Company were to dispose of all or substantially all of its undertaking. In addition, the Company follows the Canadian Securities Exchange policies which require shareholder approval on the occurrence of a "fundamental change", defined by the policies of the Canadian Securities Exchange to be an acquisition pursuant to which at least 50% of the issuer's assets or anticipated revenues will be a result of the acquisition, in combination with a change of control. The determination of a change of control in such context would include the distribution of 100% of the number of equity securities of the issuer outstanding prior to the transaction, or otherwise may be determined through a substantial change of the management or the board of directors of the issuer.

In addition, Nasdaq Marketplace Rule 5635 requires shareholder approval of most equity compensation plans and material revisions to such plans, as well as with respect to the sale of our securities at a discount to their market value to an officer, director, employee or consultant. We do not follow this Nasdaq Marketplace Rule. Instead, and in accordance with the Nasdaq exemption, we comply with British Columbia corporate and securities laws, which do not require shareholder approval of equity compensation plans or most discount to market offerings of securities unless otherwise indicated in the Articles of the Company. In addition, the Company intends to follow the Canadian Securities Exchange policies and certain provisions of Canadian securities laws which require limitations on the number of equity compensation securities that can be distributed to persons performing investor relations services to 1% of the issued and outstanding amount of listed securities in a 12-month period, and further limit the number of equity compensation securities that can be distributed to a director, officer or a related entity of the issuer, or an associate thereof (each a "related person"), on a fully diluted basis to not exceed 5% of the outstanding securities of the issuer, or collectively to related persons exceeds 10% of the outstanding securities of the issuer.

Quorum Requirement

NASDAQ Marketplace Rule 5620(c) requires that each company that is not a limited partnership shall provide for a quorum as specified in its by-laws for any meeting of holders of common stock; provided, however, that in no case shall such quorum be less than 33 1/3% of the outstanding shares of the company's common voting stock. The Company does not presently follow this NASDAQ Marketplace Rule. Instead, the Company complies with British Columbia corporate and securities laws and its Articles which do not require a quorum of no less than 33 1/3% of the outstanding shares of the Company's common voting stock and provides that the quorum for the transaction of business at a meeting of shareholders is the quorum established by the Company's Articles, which is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Executive Sessions

NASDAQ Marketplace Rule 5605(b)(2) requires that the independent board members of a company have Executive Sessions which are regularly scheduled and at which only independent directors are present. Under applicable Canadian rules, customs and practice, the Company's independent directors are not required to hold executive sessions. However, the Company is subject to certain disclosure requirements prescribed in Canadian Form 58-101F1 - *Corporate Governance Disclosure*. In particular, the Company must disclose whether the independent directors hold executive sessions and, if such executive sessions are held, how many of these meetings have been held since the beginning of the Company's most recently completed financial year. If the Company does not hold executive sessions, the Company must describe what the Board does to facilitate open and candid discussion among its independent directors.

Proxy Delivery Requirements

Nasdaq Marketplace Rule 5620(b) requires that a listed company that is not a limited partnership to solicit proxies and provide proxy statements for all meetings of shareholders, and also provide copies of such proxy solicitation materials to Nasdaq. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Distribution of Annual and Interim Reports

Nasdaq Marketplace Rule 5250(d)(1) requires that a listed company (including a limited partnership) make available to shareholders an annual report containing audited financial statements of the Company and its subsidiaries (which, for example may be on Form 10-K, 20-F, 40-F or N-CSR) within a reasonable period of time following the filing of the annual report with the SEC. In addition, under Nasdaq Marketplace Rule 5250(d)(4)(A), each company that is not a limited partnership and is not subject to Rule 13a-13 under the Exchange Act and that is required to file with the SEC, or other regulatory authority, interim reports relating primarily to operations and financial position, shall make available to shareholders reports which reflect the information contained in those interim reports. Such reports shall be made available to shareholders either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to shareholders differs from that filed with the regulatory authority, the company shall file one copy of the report to shareholders with Nasdaq in addition to the report to the regulatory authority that is filed with Nasdaq pursuant to Rule 5250(c)(1).

The Company currently complies with Nasdaq Marketplace Rules 5250(d)(1) and 5250(d)(4)(A), however, the Company may not do so or on a consistent basis. Instead, the Company may determine to comply with British Columbia corporate and securities laws which do not require the distribution of annual or interim reports to shareholders but do require the Company to place before the annual general meeting the annual financial statements that the Company is required to with the applicable securities commissions in Canada under the *Securities Act* (British Columbia) in relation to the most recently completed financial year, file annual and interim financial statements on SEDAR at www.sedar.com, and send annually a request form to the registered holders and beneficial owners of its securities that can be used to request a paper copy of the Company's annual financial statements and management discussion and analysis for the annual financial statements, and a copy of the Company's interim financial reports and management discussion and analysis for the interim financial reports free of charge.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Our financial statements were prepared in accordance with IFRS, as issued by the IASB, and are presented in Canadian dollars.

Auditor PCAOB Identification 1054

Bright Minds Biosciences Inc.

Consolidated Financial Statements

For the years ended September 30, 2022, 2021, and 2020

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Bright Minds Biosciences Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Bright Minds Biosciences Inc. ("the Company") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years ended September 30, 2022, 2021 and 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years ended September 30, 2022, 2021 and 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
December 22, 2022

We have served as the Company's auditor since 2020.

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

As at	Notes	**September 30, 2022**	September 30, 2021
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		**11,627,913**	19,760,015
Sales tax receivable		**114,518**	110,146
Other receivables		**41,261**	-
Prepaids		**164,429**	168,207
		11,948,121	20,038,368
Non-Current Assets			
Right-of-use asset	11	**138,863**	-
Intangible assets	4	**-**	2,000
TOTAL ASSETS		**12,086,984**	20,040,368
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	5	**1,404,561**	638,573
Lease liability - current portion	11	**67,928**	-
		1,472,489	638,573
Non-Current Liabilities			
Lease liability - non-current portion	11	**71,983**	-
TOTAL LIABILITIES		**1,544,472**	638,573
Shareholders' equity			
Share capital	6	**32,237,844**	27,080,281
Subscriptions receivable		**-**	(33,684)
Reserves	6	**2,479,466**	1,565,055
Deficit		**(24,174,798)**	(9,209,857)
TOTAL SHAREHOLDERS' EQUITY		**10,542,512**	19,401,795
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,086,984**	20,040,368

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

Approved on behalf of the Board of Directors:

"Ian McDonald"	*"Nils Bottler"*
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, 2022**	For the year ended September 30, 2021	For the year ended September 30, 2020
		$	$	$
EXPENSES				
Consulting fees	6,7	**771,329**	394,624	-
Directors' compensation	6,7	**99,438**	136,612	-
Foreign exchange		**(12,151)**	(154,099)	-
Funds processing fees - private placements		**-**	18,665	5,568
Marketing, advertising, and investor relations	6	**551,864**	852,151	9,618
Office and administrative	11	**478,248**	197,125	637
Professional fees	6,7	**650,196**	709,954	104,251
Regulatory and filing		**243,079**	181,743	5,451
Research and development	6,7,10	**12,180,938**	6,313,988	354,852
		(14,962,941)	(8,650,763)	(480,377)
OTHER ITEMS				
Impairment of intangible assets	4	**(2,000)**	-	-
Net loss and comprehensive loss		**(14,964,941)**	(8,650,763)	(480,377)
Basic and diluted loss per share		**(1.21)**	(0.96)	(0.13)
Weighted average number of common shares outstanding -basic and diluted		**12,351,917**	8,974,023	3,612,436

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 as at September 30, 2019	4,119,600	205,980	(81,980)	-	-	(78,717)	45,283
Private placement	623,941	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	4,743,541	980,661	(1,000)	147,426	161,300	(559,094)	729,293
Private placements	5,049,021	27,924,936	(32,684)	(147,426)	-	-	27,744,826
Finder's fees - cash	-	(1,516,317)	-	-	-	-	(1,516,317)
Finder's fees - broker warrants	-	(521,000)	-	-	521,000	-	-
Finder's fees - share options	-	(2,140)	-	-	2,140	-	-
Share issue costs	-	(290,309)	-	-	-	-	(290,309)
Debt settlement with shares	14,799	18,500	-	-	-	-	18,500
Special warrant conversion	16,000	20,000	-	-	-	-	20,000
Warrants exercised	1,948,000	97,400	-	-	-	-	97,400
Shares issued to the University	63,000	368,550	-	-	-	-	368,550
Share-based compensation	-	-	-	-	880,615	-	880,615
Net loss	-	-	-	-	-	(8,650,763)	(8,650,763)
Balance as at September 30, 2021	**11,834,361**	**27,080,281**	**(33,684)**	**-**	**1,565,055**	**(9,209,857)**	**19,401,795**
Private placement	2,858,000	4,001,200	33,684	-	-	-	4,034,884
Finder's fees - cash	-	(539,329)	-	-	-	-	(539,329)
Finder's fees - compensation warrants	-	(531,000)	-	-	531,000	-	-
Finder's fees - share options	-	(39,355)	-	-	39,355	-	-
Share issue costs	-	(260,650)	-	-	-	-	(260,650)
Warrants exercised	2,649,800	1,653,170	-	-	-	-	1,653,170
Compensation warrants exercised	225,198	846,277	-	-	(531,000)	-	315,277
Shares issued to a consultant	25,000	27,250	-	-	-	-	27,250
Share-based compensation (Note 6)	-	-	-	-	875,056	-	875,056
Net and comprehensive loss	-	-	-	-	-	(14,964,941)	(14,964,941)
Balance as at September 30, 2022	**17,592,359**	**32,237,844**	**-**	**-**	**2,479,466**	**(24,174,798)**	**10,542,512**

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, 2022	For the year ended September 30, 2021	For the year ended September 30, 2020
	$	$	$
Operating activities			
Net loss for the year	**(14,964,941)**	(8,650,763)	(480,377)
Non-cash items:			
Depreciation - Right-of-use asset	**6,037**	-	-
Foreign exchange	**(258,824)**	(223,787)	-
Shares recorded as consulting fees	**27,250**	-	-
Shares recorded as research and development	**-**	368,550	-
Share-based compensation	**875,056**	880,615	161,300
Interest on lease liability	**2,173**	-	-
Impairment of intangible assets	**2,000**	-	-
Changes in non-cash operating working capital items:			
Sales tax receivable	**(4,372)**	(110,146)	-
Other receivables	**(41,261)**		
Prepaids	**3,778**	(89,920)	(78,287)
Accounts payable and accrued liabilities	**765,988**	506,150	108,972
Net cash used in operating activities	**(13,587,116)**	(7,319,301)	(288,392)
Financing activities			
Private placement proceeds	**4,034,884**	27,744,826	1,008,330
Finder's fees	**(539,329)**	(1,516,317)	-
Share issue costs	**(260,650)**	(290,309)	-
Special warrant proceeds	**-**	22,875	-
Refund of special warrant proceeds	**-**	(2,875)	-
Warrant exercise proceeds	**1,653,170**	97,400	-
Compensation warrant exercise proceeds	**315,277**	-	-
Principal portion of lease liability	**(7,162)**	-	-
Net cash from financing activities	**5,196,190**	26,055,600	1,008,330
Change in cash and cash equivalents	**(8,390,926)**	18,736,299	719,938
Effect of foreign exchange on cash	**258,824**	223,787	-
Cash and cash equivalents, beginning of year	**19,760,015**	799,929	79,991
Cash and cash equivalents, end of year	**11,627,913**	19,760,015	799,929
SUPPLEMENTARY INFORMATION			
Debt settled by issuing shares	**-**	18,500	-
Fair value ascribed by brokers' warrants issued	-	521,000	-
Fair value of options issued as finders' fees	39,355	2,140	-
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. On February 8, 2021, the Company started trading on the Canadian Stock Exchange ("CSE") under the symbol DRUG. On May 17, 2021, the Company started trading on the OTCQB under the symbol BMBIF. On November 8, 2021, the Company started trading on the NASDAQ under the symbol DRUG. The registered address of the Company is located at 1500 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, Canada. The head office address of the Company is located at 19 Vestry Street, New York, NY 10013, USA.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2022, the Company is not able to finance day to day activities through operations and has incurred a loss of $14,964,941 for the year ended September 30, 2022. The Company has a deficit of $24,174,798 since inception and negative operating cash flows. As at September 30, 2022, the Company has working capital of $10,475,632 (September 30, 2021 - $19,399,795). The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. Management intends to finance operating costs with equity financings, loans from directors and companies controlled by directors and/or private placement of common shares.

The coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. 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 specifically related to possible disruptions in the operations of the laboratories upon whom the Company relies, including laboratories situated in various parts of the United States and Europe. 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

These consolidated financial statements were approved for issue on December 22, 2022 by the directors of the Company.

Statement of compliance
These consolidated 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 consolidated financial statements are set out below.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Bright Minds Biosciences LLC, a Delaware limited liability company, and Bright Minds Bioscience Pty Ltd., a proprietary company registered under the Corporations Act of Australia on June 24, 2021. On June 10, 2021, the CEO of the Company transferred, assigned and conveyed all of his membership interests in Bright Minds Biosciences LLC to the Company.

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 subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the Company's subsidiaries 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 consolidated financial statements.

Critical accounting estimates
The preparation of the consolidated 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 consolidated 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.

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 currency of the Company, Psilocybinlabs Ltd., Bright Minds Biosciences LLC and Bright Minds Bioscience Pty Ltd. is the Canadian dollar and the presentation currency of the Company 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, 2022 and 2021, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

<u>Financial assets</u>
(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.

(ii) Financial assets measured at FVTOCI
A financial asset measured at FVOCI 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 FVTPL 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 and cash equivalents are classified as subsequently measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(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 consolidated 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 consolidated statement of comprehensive loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 consolidated 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.

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, 2022 and have not been applied in preparing these financial statements. The following new standards have not been adopted which may impact the Company in future:

IAS 1 - Presentation of Financial Statements
An amendment to IAS 1 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.

IAS 1 has amended the definition of material to "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The previous definition of material from IAS1 was "omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor."

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted (continued)

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
IAS 8 amended the definition of material reflect the changes outlined above under IAS 1.

IAS 12 and IFRIC 23 - Income Taxes
IAS 12 currently provides guidance on current and deferred tax assets and liabilities however uncertainty may exist on how tax law applies to certain transactions. IFRIC 23 provides guidance on how to address uncertainty related to tax treatments.

4. INTANGIBLE ASSETS

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, with the reacquisition being recorded as an asset acquisition. On September 29, 2022, the directors of the Company agreed to wind-up and dissolve the subsidiary of the Company, PL and the carrying value of the intangible asset was impaired during the year ended September 30, 2022.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2022	September 30, 2021
	$	$
Accounts payable	**1,246,384**	596,573
Accrued liabilities	**158,177**	42,000
Total accounts payable and accrued liabilities	**1,404,561**	638,573

6. SHARE CAPITAL

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

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. All common shares, stock options and warrant references in these consolidated financial statements reflect the effect of the share consolidation.

Issued share capital for the year ended September 30, 2022

On April 11, 2022, the Company entered into a scientific advisory board agreement with Karl Deisseroth ("Deisseroth") pursuant to which the Company will pay Deisseroth a monthly fee of US$4,166.66 and issued an aggregate 25,000 common shares (the "Payment Shares") in the capital of the Company at a fair market value of $1.09 per share (total fair market value of $27,250). The Payment Shares will be issued in escrow and released to Deisseroth over a period of four years commencing on March 8, 2023 (see Note 8).

6. SHARE CAPITAL (continued)

On August 30, 2022, the Company issued 2,858,000 Units of the Company at a price per unit of $1.40 for aggregate gross proceeds of $4,001,200. Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of $1.76 per share until August 30, 2024. The agent was paid a cash finder's fee $280,084 and expenses of $176,065 and received compensation warrants entitling them to purchase an aggregate of 134,040 Units of the Company at a per unit price of $1.40 for a period of twenty-four months following closing, with the Units having the same terms as the Units sold pursuant to the Offering. An advisor was additionally paid a cash finder's fee of $259,245 and received compensation warrants entitling them to purchase an aggregate of 91,158 Units of the Company at a per unit price of $1.40 for a period of twenty-four months following closing, with the Units having the same terms as the Units sold pursuant to the Offering. The Company incurred additional share issue costs of $84,585 in connection with the offering.

In September 2022, 225,198 compensation warrants were exercised for gross proceeds of $315,277. Upon exercise, $531,000 was reclassified from reserves to share capital.

During the year ended September 30, 2022, 2,649,800 warrants priced at $0.05, $1.76, and $9.46 per unit were exercised for gross proceeds of $1,653,170.

Issued share capital for the year ended September 30, 2021
On November 2, 2020, the Company closed the second tranche of a non-brokered private placement financing through the issuance of 1,629,138 common shares at a price $1.25 per common share for gross proceeds of $2,036,422.

On January 6, 2021, the Company issued 14,799 common shares 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 February 3, 2021, the 16,000 SWs were deemed to be exercised for SW shares and 16,000 common shares of the Company were issued to the SW holders (see below).

On March 17, 2021, the Company issued 3,419,883 Units at a price per Unit of $7.57 for aggregate gross proceeds of $25,888,514. Each Unit comprised one common share and one-half of one common share purchase warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $9.46 per share until March 17, 2024, subject to adjustment and acceleration in certain events. If the daily volume weighted average trading price of the common shares on the CSE is equal to or greater than $13.25 per common share for any 10 consecutive trading days, the Company shall have the right to accelerate the expiry date of the warrants to a date that is at least 30 trading days following the date of the Company issuing a press release disclosing such acceleration. The underwriters were paid fees for their services in the amount of $916,317 and received compensation warrants entitling them to purchase an aggregate of 132,666 common shares at a price of $7.57 per common share for a period of thirty-six months following closing. These warrants have an ascribed value of $521,000. On February 17, 2022, the Company received $33,684 in share subscriptions receivable related to this financing.

On April 6, 2021, the Company paid a New York-based company (the "Finder") a contingent cash fee in the amount of $600,000, being 4.5% of $13,333,333 in net equity proceeds received from three investors introduced to the Company by the Finder. The Finder was also entitled to receive compensation warrants allowing it to purchase an aggregate of 8,807 common shares at a price of $7.57 per common share for a period of five years. These warrants were never issued and instead, on September 21, 2021, the Company granted compensation options (see below).

On April 23, 2021, 1,948,000 escrowed share purchase warrants were exercised for $0.05 per share for gross proceeds of $97,400.

6. SHARE CAPITAL (continued)

On April 28, 2021, the Company issued 63,000 common shares to the University at a deemed price of $5.85 per share. The $368,550 value attributed to these shares has been recognized as a research and development expense in the consolidated statements of comprehensive loss during the year ended September 30, 2021. See Note 8.

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 623,941 common shares at a price $1.25 per common share for gross proceeds of $779,924.

Special warrants and resulting share issuance
In October 2020, the Company entered into subscription agreements for special warrants (the "SWs") whereby the subscribers subscribed for a total of 18,300 SWs at $1.25 per SW, with the SWs providing 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.

On November 2, 2020, the Company issued 18,300 SWs for gross proceeds of $22,875. 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 2,300 SWs and refunded the $2,875 in proceeds received. On February 3, 2021, the $20,000 in escrowed proceeds was released to the Company, the SWs were deemed to be exercised for SW shares and 16,000 common shares of the Company were issued to the SW holders.

Escrowed securities
On January 28, 2021, the Company entered into an escrow agreement under National Policy 46-201 *Escrow for Initial Public Offerings* (the "Policy") in connection with the listing of common shares of the Company on the CSE, whereby 2,852,800 common shares of the Company and 1,948,000 share purchase warrants (exercised on April 23, 2021), being an aggregate of 4,800,800 securities, were deposited to be held in escrow. As the Company is defined as an emerging issuer under the Policy, the escrowed securities will be released as follows:

- 480,080 on the date that the Company's shares are listed on the CSE (February 8, 2021); and
- 720,120 6, 12, 18, 24, 30 and 36 months after the listing date.

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.

Options granted during the year ended September 30, 2022
On September 6, 2022, the Company granted 80,000 options to a director of the Company. These options have an exercise price of $2.46 per share, expire on September 6, 2027 and vest as follows: 25% on the grant date, 25% on the first anniversary of the grant date, 25% on the second anniversary of the grant date, and 25% on the third anniversary of the grant date . The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $2.46; ii) share price: $2.40; iii) term: 5 years; iv) volatility: 147.31%; v) discount rate:3.33%; and dividends: nil.

6. SHARE CAPITAL (continued)

Options granted during the year ended September 30, 2021
On November 17, 2020, the Company granted 467,000 options, 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 on the CSE (the "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.

The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $1.25; ii) share price: $1.25; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 0.43%; and dividends: nil.

On April 28, 2021, the Company granted 240,000 options to three consultants of the Company. These options have an exercise price of $7.60 per share, expire on April 28, 2026 and vest as follows:

- 160,000 options - 25% on the first anniversary of the grant date, 25% on the second anniversary of the grant date, 25% on the third anniversary of the grant date and 25% on the fourth anniversary of the grant date; and
- 80,000 options - 25% on the six-month anniversary of the grant date, 25% on the first anniversary of the grant date, 25% on the eighteen-month anniversary of the grant date and 25% on the second anniversary of the grant date.

The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $7.60; ii) share price: $5.98; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 0.92%; and dividends: nil.

On June 15, 2021, the Company granted 180,000 options to a director and a consultant of the Company. These options have an exercise price of $7.60 per share, expire on June 15, 2026 and vest as follows: 25% on the first anniversary of the grant date, 25% on the second anniversary of the grant date, 25% on the third anniversary of the grant date and 25% on the fourth anniversary of the grant date. The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $7.60; ii) share price: $5.55; iii) term: 5 years; iv) volatility: 100%; v) discount rate: 0.84%; and dividends: nil.

On September 21, 2021, the Company granted 8,807 compensation options to a Finder (see above). These options have an exercise price of $7.64 per share, expire on September 21, 2024 and vest as follows: 25% on December 21, 2021, 25% on March 21, 2022, 25% on June 21, 2022 and 25% on September 21, 2022. The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $7.64; ii) share price: $7.64; iii) term: 3 years; iv) volatility: 100%; v) discount rate: 0.55%; and dividends: nil.

6. SHARE CAPITAL (continued)

The following table summarizes the movements in the Company's outstanding stock options for years ended September 30, 2022, 2021 and 2020:

	Number of options		Weighted average exercise price
Balance at September 30, 2019	**-**		**-**
Granted	150,000	$	1.25
Balance at September 30, 2020	**150,000**	$	1.25
Granted	895,807	$	4.29
Cancelled*	(20,000)	$	1.25
Balance at September 30, 2021	**1,025,807**	$	**3.90**
Granted	80,000	$	2.46
Forfeited*	(190,000)	$	4.59
Balance at September 30, 2022	**915,807**	$	**3.64**

** On January 21, 2021, the Company cancelled 20,000 options granted to a consultant in error on November 17, 2020. Also, a consultant and a director forfeited their right to exercise 90,000 and 100,000 options respectively.*

As at September 30, 2022, the options have a weighted average remaining life of 3.39 years (September 30, 2021 - 4.28).

The following table summarizes the stock options issued and outstanding:

		Options Outstanding and Exercisable		
Expiry Date	**Number of options**	**Exercisable**	**Exercise price**	**Remaining life (Years)**
September 21, 2024	8,807	8,807	$7.64	1.98
July 23, 2025	150,000	150,000	$1.25	2.81
November 17, 2025	357,000	122,333	$1.25	3.13
April 28, 2026 *	240,000	80,000	$7.60	3.58
June 15, 2026	80,000	20,000	$7.60	3.71
September 6, 2027	80,000	20,000	$2.46	4.94

** On December 1, 2022, the Company and a consultant mutually agreed to cancel 80,000 options (see Note 13).*

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 February 4, 2022 and February 11, 2022, the Company issued 25,000 RSUs and 35,000 RSUs, respectively. These RSUs vest on an annual basis over a period of four years commencing on February 1, 2023. The estimated fair value of these RSUs is $181,250 and will be recognized as an expense over the vesting period of the RSUs.

On April 27, 2022, the Company issued 100,000 RSUs to a director of the Company and these RSU's vest as follows: 25% on the date of grant and 25% each on April 27, 2024, 2025 and 2026. The estimated fair value of these RSUs is $127,000 and will be recognized as an expense over the vesting period of the RSUs.

6. SHARE CAPITAL (continued)

The following table summarizes the movements in the Company's outstanding RSUs for the years ended September 30, 2022 and 2021:

	Equity settled	Cash settled	Total		Weighted average exercise price
Balance at September 30, 2021 and 2020	380,000	-	380,000	$	1.25
Granted	160,000	-	160,000	$	5.91
Balance at September 30, 2022	**540,000**	-	**540,000**	**$**	**2.63**

As at September 30, 2022, the RSUs have a weighted average remaining life of 3.38 years (September 30, 2021 - 3.91 years).

The following table summarizes the RSUs issued and outstanding:

	RSUs Outstanding and Exercisable				
Expiry Date	**Number of RSUs**	**Exercisable**		**Exercise price**	**Remaining life (Years)**
July 23, 2025	150,000	75,000	$	1.25	2.81
September 18, 2025	230,000	115,000	$	1.25	2.97
February 1, 2027	25,000	-	$	3.05	4.34
February 1, 2027	35,000	-	$	3.00	4.34
April 27, 2027	100,000	25,000	$	7.64	4.58

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

	For the year ended:		
	September 30, 2022	September 30, 2021	September 30, 2020
	$	$	$
Stock options	**643,911**	643,963	138,000
Restricted share units - equity settled grants	**231,145**	236,652	23,300
Total equity settled share-based compensation expense	**875,056**	880,615	161,300
Restricted share units - cash settled grants	**-**	-	-
Total share-based compensation expense	**875,056**	880,615	161,300

6. SHARE CAPITAL (continued)

Share-based compensation expense is included in the consolidated statements of comprehensive loss as follows:

	For the years ended:		
	September 30, 2022	**September 30, 2021**	September 30, 2020
	$	**$**	$
Consulting fees	**3,858**	**8,045**	-
Directors' compensation	**99,438**	**136,612**	-
Marketing, advertising and investor relations	**-**	**3,696**	-
Professional fees	**-**	**23,126**	-
Research and development	**771,760**	**709,136**	161,300
Total share-based compensation expense	**875,056**	**880,615**	161,300

Warrants
The following table summarizes the movements in the Company's outstanding warrants for the years ended September 30, 2022 and 2021:

	Number of warrants		**Weighted average exercise price**
Balance at September 30, 2020	**4,079,600**	$	**0.05**
Issued*	1,709,938		9.46
Issued - broker	132,666		7.57
Exercised	(1,948,000)		0.05
Balance at September 30, 2021	**3,974,204**		4.35
Issued	3,083,198		1.76
Issued - compensation warrants	225,198		1.40
Exercised	(2,874,998)		0.68
Balance at September 30, 2022	**4,407,602**	$	4.78

**On November 2, 2020, the Directors of the Company reduced the exercise price of the outstanding warrants from $0.125 to $0.05 effective July 11, 2020.*

On March 17, 2021, the Company issued 132,666 compensation warrants to underwriters. The fair value of these share purchase warrants of $521,000 was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $7.57; ii) share price: $6.65; iii) term: 3 years; iv) volatility: 100%; v) discount rate: 0.35%; and dividends: nil. The fair value of these broker warrants was recorded as a reduction against share capital.

On August 30, 2022, the Company granted 225,198 compensation warrants at an exercise price of $1.40 per compensation warrant expiring on August 30, 2024. Each compensation warrant comprises the one Unit under the same terms of the offering which closed on August 30, 2022. The fair value of these compensation warrants of $315,000 was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $1.40; ii) share price: $2.93; iii) term: 2 years; iv) volatility: 147.31%; v) discount rate:3.63%; and dividends: nil.

6. SHARE CAPITAL (continued)

As at September 30, 2022, the warrants have a weighted average remaining life of 1.72 (September 30, 2021 - 2.66) years.

The following table summarizes the warrants issued and outstanding:

	Warrants Outstanding		
Expiry Date	**Number of warrants**	**Exercise price**	**Remaining life (Years)**
July 30, 2024 (1)	314,800	$ 0.05	1.83
March 17, 2024	1,697,438	$ 9.46	1.46
March 17, 2024	132,666	$ 7.57	1.46
August 30, 2024	2,037,500	$ 1.76	1.92
August 30, 2024	134,040	$ 1.76	1.92
August 30, 2024	91,158	$ 1.76	1.92

(1) On June 15, 2021, the Company entered into warrant exercise agreements with the two warrant holders, whereby the warrant holders authorized the Company to issue only such number of common shares (or other class of voting securities of the Company, if applicable) as will result in the warrant holders and any other person (as defined) holding less than the threshold number of 4.99% (as defined) of any class of voting securities of the Company as of the date of exercise or conversion of the warrants.

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.

Included in accounts payable and accrued liabilities as at September 30, 2022 was $105,181 (September 30, 2021 - $Nil) owing to CEO of the Company and the companies controlled by key management personnel.

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:

	For the year ended:		
	September 30, 2022	**September 30, 2021**	**September 30, 2020**
	$	$	$
Professional fees	**144,000**	87,074	22,575
Research and development	**572,700**	772,596	26,777
Consulting fees	**174,215**	-	-
Share-based compensation included in directors' compensation	**99,438**	136,612	-
Share-based compensation included in professional fees	**-**	23,126	-
Share-based compensation included in research and development	**123,052**	236,652	161,300
	1,113,405	1,256,060	210,652

See Note 8 for related party contractual obligations.

8. CONTRACTUAL OBLIGATIONS

License agreement

On April 23, 2021, the Company entered into an exclusive license agreement with equity (the "LA") with the Board of Trustees of the UIC (the "University") whereby the University granted to the Company, in all fields of use and worldwide, an exclusive, non-transferable license with the right to sublicense under the University's rights in and to the Patent Rights (as defined) and a non-exclusive, non-transferable license with the right to sublicense under the University's rights in and to the Technical Information (as defined) to make, have made, construct, have constructed, use, import, sell, and offer for sale royalty-bearing Product (as defined). As consideration for the grant of license, the Company will pay the following amounts (in US$) to the University:

- *Signing Fee* - a signing fee of $100,000 less $15,000 in option fees was paid (CDN$105,502) and 63,000 common shares of the Company were issued to the University (see Note 6);
- *Net Sales* - royalties on Net Sales (as defined) ranging from 3% (under $1 billion) to 4.5% (over $2 billion), with such royalty payments being credited toward the annual minimum for the license year in which the royalty payment accrues;
- *Sublicensee Revenues* - royalties (as for net sales above) on Sublicensee Revenue (as defined), with such royalty payments being credited toward the annual minimum for the license year in which the royalty payment accrues and 12% on all non-royalty revenue until the Company has raised $7.5 million and then 10% thereafter;
- *Annual Minimums* - if the total royalties paid to the University for any license year are less than the following annual minimums, the Company must pay the University the amount equal to the shortfall:
  - Years 1 and 2 - $nil;
  - Year 3 - $5,000;
  - Year 4 - $15,000;
  - Year 5 - $35,000;
  - Year 6 and thereafter - $50,000; and
  - After first commercial sale - $250,000 or net sales royalty, whichever is higher.
- *Milestone Payments* - milestone payments after the occurrence of the following milestone events:

  Prior to any sublicensing agreements, joint ventures or change of control:

  - $10,000 upon dosing the first patient in a Phase I trial;
  - $50,000 upon dosing the first patient in the first Phase II trial;
  - $250,000 upon dosing the first patient in a Phase III trial in the first clinical indication; and
  - $2 million upon the first commercial sale of each clinical indication.

  After any sublicensing agreements, joint ventures or change of control:

  - As above;
  - $250,000 upon dosing the first patient in each Phase II trial;
  - $500,000 upon dosing the first patient in each Phase III trial; and
  - $2 million upon the first commercial sale of each clinical indication.

8. CONTRACTUAL OBLIGATIONS (continued)

Unless otherwise agreed to in writing by the University, the Company will reimburse the University for all documented costs and expenses in connection with the Patent Rights, including the preparation, filing, prosecution, maintenance and defense thereof. From time to time, the anticipated costs and expenses may be significant and, upon request, the Company will pay the estimated costs and expenses in advance of such costs and expenses being incurred by the University.

The term of the LA ends on the later of the last to expire of the Patent Rights, expiration of regulatory exclusivity for Product or when the Company provides notice that use of Technical Information has ceased. The University has the right to terminate the LA if the Company fails to make any required payments or is in breach of any provision of the LA. The Company may terminate the LA at any time upon providing at least 90 days written notice to the University.

Related party contracts

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 was in the form of a grant of 150,000 vested stock options and 380,000 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. In March 2021, the Board of Directors authorized a monthly fee of US$15,000 and increased it to US$25,000 in August 2021. The Chief Medical Officer's engagement was terminated effective November 23, 2022 and 190,000 of the unvested RSUs were cancelled.

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 the contractor with 30 days written notice. In March 2021, the Board of Directors authorized a monthly fee of US$15,000 and increased it to US$25,000 in August 2021. Services provided by the Chief Science Officer ceased at the end of March 2022 and no further payments were made or due by the Company from April 2022 onwards. The Chief Science Officer later resigned at the end of June 2022.

In November 2021, April 2022 and September 2022, the Company entered into director indemnity agreements (the "DIAs") with seven directors (two of these directors has resigned to date) of the Company. Pursuant to the DIAs and subject to all applicable laws, including the applicable limitations and restrictions set forth in the Business Corporations Act (British Columbia), the Company will:

8. CONTRACTUAL OBLIGATIONS (continued)

- Indemnify and save harmless the Directors against and from:
  - any and all charges or claims by reason of them being or having been a director of the Company or another corporation, at a time when the other corporation is or was an affiliate of the Company, or at the request of the Company;
  - any and all costs, damages, expenses, fines, liabilities, losses and penalties (the "Consequences") which they may sustain, incur or be liable for in consequence of their acting as a director of the Company, whether sustained or incurred by reason of their negligence, default, breach of duty or trust, failure to exercise due diligence or otherwise in relation to the Company or any of its affairs; and
  - in particular, and without in any way limiting the generality of the foregoing, any and all Consequences which they may sustain, incur or be liable for as a result of or in connection with the release or presence in the environment of substances, contaminants, litter, waste, effluent, refuse, pollutants or deleterious materials and that arise out of or are in any way connected with the management, operation, activities or existence of the Company or by virtue of them holding any other directorship with any other entity at the Company's request.

- gross up any indemnity payment made pursuant to the DIAs by the amount of any income tax payable by the Directors in respect of that payment; and

- indemnify the Directors for the amount of all costs they incur in obtaining any Court approval required to enable or require the Company to make a payment to them under the DIAs, or enforce the DIAs against the Company, including without limitation legal fees and disbursements on a full indemnity basis.

Notwithstanding the above-noted, the Company will have no obligation to indemnify or save harmless the Directors in respect of any liability for which they are entitled to indemnity pursuant to any valid and collectible policy of insurance obtained and maintained by the Company, to the extent of the amounts actually collected by the Directors under the insurance policy.

On April 11, 2022, the Company entered into a scientific advisory board agreement with Karl Deisseroth ("Deisseroth") pursuant to which the Company will pay Deisseroth a monthly fee of US$4,167 and issued an aggregate 25,000 common shares (the "Payment Shares") in the capital of the Company (see Note 6).

Scientific advisory board agreements

The Company entered into numerous 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 pay the advisors hourly rates of $150 and $160 per hour. The Company also granted 130,000 stock options to the advisors as part of the Company's November 17, 2020 and April 28, 2021 grant of options of which 20,000 options were cancelled on January 21, 2021 (see Note 6). In addition, the Company granted 60,000 RSU's to the advisors of the Company on February 4, 2022 and February 11, 2022 (see Note 6). The 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.

8. CONTRACTUAL OBLIGATIONS (continued)

Consulting agreements

The Company has entered into numerous 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 pay the advisors hourly rates between US$30 to US$600. The Company also granted 302,000 stock options to six advisors as part of the Company's November 17, 2020 and April 28, 2021 grant of options (see Note 6). 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.

On October 9, 2020, the Company entered into a CA 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. The Company granted 90,000 stock options to the consultant on November 17, 2020 (see Note 6).

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 conducted 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 was carried out through to its conclusion on February 15, 2021. As consideration for UTMB's performance, the Company paid US$66,764 which was recorded in research and development costs.

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 the contractor with 30 days written notice. In March 2021, the Board of Directors authorized a monthly fee of US$15,000.

On November 1, 2021, the Company entered into a letter agreement (the "LA") with a New York-based company, whereby the company will provide investor relations services to the Company. As compensation for performing these services, the Company will pay a non-refundable monthly retainer of US$5,000 and issue 11,200 shares of restricted stock in three tranches: 3,800 on January 1, 2022; 3,700 on April 1, 2022 and 3,700 on July 1, 2022. If the contract is terminated prior to the issuance date, the outstanding balance is not owed. The services will continue for an initial term of one year unless sooner terminated by either party giving the other 15 days written notice.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

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

	September 30, 2022	September 30, 2021
FVTPL	**$**	$
Cash	11,541,663	19,673,765
Guaranteed investment certificate	86,250	86,250
Cash and cash equivalents	11,627,913	19,760,015
Amortized cost		
Accounts payable and accrued liabilities	1,404,561	638,573

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Fair value measurement

Financial assets and liabilities that are recognized on the consolidated 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 and cash equivalents is classified as Level 1, whereas accounts payable and accrued liabilities are classified as Level 2. As at September 30, 2022, the Company believes that the carrying values of cash and cash equivalents 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 and cash equivalents balance. As at September 30, 2022, the Company had cash and cash equivalents of $11,627,913 which was held with major banks in Canada, United States and Australia. Because deposits are with three banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions 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. As at September 30, 2022, the Company had the following foreign currency balances - cash (US$862,731 and AU$27,123), receivables (US$30,102 and AU$42,000), prepaids (US$116,276 and AU$13,417) and accounts payable and accrued liabilities (US$785,439 and AU$215,218). A 10% fluctuation in the US$ and AU$ against the Canadian dollar would have an impact of approximately $19,000 on the net comprehensive loss.

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. As at September 30, 2022, the Company had cash and cash equivalents of $11,627,913 to cover current liabilities of $1,472,489.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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 the 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, 2022.

10. RESEARCH AND DEVELOPMENT

Research and development expense recognized in the consolidated statements of comprehensive loss is comprised of the following:

	For the year ended:		
	September 30, 2022	September 30, 2021	September 30, 2020
	$	$	$
Laboratory costs (see Note 11)	**146,649**	82,871	25,874
Novel drug development	**8,557,000**	3,638,910	110,029
Patents and related payments	**73,645**	513,302	13,895
Salary and subcontractors	**2,631,884**	1,369,769	43,754
Share-based compensation (see Note 6)	**771,760**	709,136	161,300
	12,180,938	6,313,988	354,852

11. PREMISES LEASES

Commencing June 1, 2021, the Company entered into a commercial laboratory lease in Wauwatosa, Wisconsin USA for a term of one year at a monthly base rent of US$1,709. For the period ended September 30, 2022, $18,673 is included in laboratory costs (see Note 10).

Commencing September 1, 2021, the Company entered into an apartment lease in New York, New York USA for a term of one year at a monthly base rent of US$5,300. For the year ended September 30, 2022, $73,700 is included in office and administrative expense. Commencing September 1, 2022, the Company extended the lease for a term of two years at a monthly base rent of US$5,510 for the first year and US$5,630 for the second year of the lease.

(a) Right-of-Use Assets

As at September 30, 2022, $138,863 of right-of-use assets are recorded as follows:

		2022
As at September 30, 2021	$	-
Inception of lease		144,900
Depreciation		(6,037)
As at September 30, 2022	$	138,863

11. PREMISES LEASES (continued)

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		2022
Undiscounted minimum lease payments:		
Less than one year	$	86,112
Two to three years		80,509
		166,621
Effect of discounting		(26,710)
Present value of minimum lease payments		139,911
Less current portion		(67,928)
Long-term portion	$	71,983

(c) Lease Liability Continuity

The lease liability continuity is as follows:

		2022
As at September 30, 2021	$	-
Inception of lease		144,900
Cash flows:		
Principal payments		(4,989)
As at September 30, 2022	$	139,911

During the year ended September 30, 2022, interest of $2,173 is included in the office and administrative expense on the consolidated statements of comprehensive loss.

12. INCOME TAXES

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

	September 30, 2022	September 30, 2021	September 30, 2020
	$	$	$
Net loss	**(14,964,941)**	(8,650,763)	(480,377)
Statutory tax rate	**27.26%**	27.75%	27%
Expected income tax recovery	**(4,079,645)**	(2,400,311)	(129,702)
Deductible and non-deductible items	**21,093**	(256,939)	42,136
Change in deferred tax assets not recognized	**4,058,552**	2,657,250	87,566
Total income tax recovery	**-**	-	-

12. INCOME TAXES (continued)

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

	September 30, 2022	September 30, 2021
	$	$
Non-capital losses	**23,360,000**	9,976,000
Share issue costs	**1,726,000**	1,448,000
Intangible assets	**-**	(1,000)
Valuation allowance	**(25,086,000)**	(11,423,000)
Net deferred income tax assets	**-**	-

The Company has Canadian non-capital losses of approximately $21,545,000 (2021 - $9,940,000), US non-capital losses of $ 188,000 (2021 - $30,000) and Australian non-capital losses of $1,627,000 (2021- $7,000), which may be carried forward and applied against taxable income in future years. 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 Canadian non-capital loss carry-forwards expire as follows:

Year of Origin	**Year of Expiry**	**Non-Capital Losses**
		$
2019	2039	42,000
2020	2040	298,000
2021	2041	8,133,000
2022	2042	14,887,000
		23,360,000

13. SUBSEQUENT EVENTS

On November 13, 2022, the Company entered into an ICA whereby the contractor was engaged to serve as the Chief Medical Officer of the Company effective December 1, 2022. The Company agreed to pay a signing bonus of US$35,000 upon the execution of the ICA and a fee of US$205,000 annually, payable in monthly installments. The Company also agreed to reimburse for reasonable and approved expenses arising in connection with the performance of the services. The services will continue for an initial term of one year unless sooner terminated. The ICA can be terminated by the Company providing one month 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 the contractor with 30 days written notice. In connection with the ICA, the Company granted 300,000 options with an exercise price of $1.65 per share, expire on December 1, 2027 and vest as follows: 25% on the first anniversary of the grant date, 25% on the second anniversary of the grant date, 25% on the third anniversary of the grant date, and 25% on the fourth anniversary of the grant date.

On December 1, 2022, the Company issued 1,100,000 RSUs to the directors of the Company. These RSUs vest on an annual basis over a period of four years commencing on December 1, 2022 and expiring on December 1, 2027.

On December 1, 2022, the Company and a consultant mutually agreed to cancel 80,000 options that were previously granted on April 28, 2021 (see Note 6).

13. SUBSEQUENT EVENTS (continued)

On December 2, 2022, the Company closed a non-brokered private placement of 666,000 pre-funded warrants ("PFWs") of the Company at a price of $1.249 per PFW and 974,000 Units of the Company at a price of $1.25 per Unit for aggregate gross proceeds of $2,049,334. Each PFW is exercisable into one Unit at an exercise price of $0.001 per Unit on the date that is the earlier of (a) the date the holder thereof elects to exercise the PFWs and pays the exercise price, and (b) December 2, 2024. Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $1.35 per share until December 2, 2024.

Subsequent to September 30, 2022, an aggregate of 144,000 warrants were exercised for gross proceeds of $253,440.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report on Form 20-F:

1.1	Notice of Articles(1)
1.2	Articles(1)
2.1	Form of Common Share Certificate(1)
2.2	Description of Registrant's Securities*
4.1	Escrow Agreement dated January 28, 2021(1)
4.2	Independent Contractor Agreement with Dr. Alan Kozikowski dated October 29, 2020(2)±
4.3	Independent Consultant Agreement with Revati, Inc. dated June 5, 2020(2)±
4.4	Independent Contractor Agreement with Dr. Giedon Shapiro dated November 17, 2021(2)±
4.5	Consulting Agreement with Dr. Krista Lanctot dated August 15, 2020(1)±
4.6	Consulting Agreement with Werner Tueckmantel dated August 15, 2020(1)±
4.7	Consulting Agreement with John McCorvy dated August 15, 2020(1)±
4.8	Consulting Agreement with Peter Kowey dated August 15, 2020(1)±
4.9	Consulting Agreement with Arina Zhukova dated August 15, 2020(1)±
4.10	Consulting Agreement with Laurentiu Nicolae dated August 15, 2020(1)±
4.11	Consulting Agreement with Jesse Damsker dated August 15, 2020(1)±
4.12	Consulting Agreement with Toxicology Services Inc. dated December 22, 2020(1)±
4.13	Consulting Agreement with John McCall dated January 25, 2021(1)±
4.14	Scientific Advisory Board Agreement with Narayan R. Kissoon, MD dated June 1, 2020(1)±
4.15	Scientific Advisory Board Agreement with Peter Hendricks dated July 14, 2020(1)±
4.16	Scientific Advisory Board Agreement with Jianmin Duan dated April 21, 2021(1)±
4.17	Services Agreement dated June 22, 2020 between the Company and the Medical College of Wisconsin, Inc. (1)±
4.18	Sponsored Research Agreement dated October 15, 2020 between the Company and the University of Texas Medical Branch at Galveston d/b/a UTMB Health(1)±
4.19	First Amendment to the Sponsored Research Agreement between the Company and the University of Texas Medical Branch at Galveston d/b/a UTMB Health dated June 11, 2021(1)±
4.20	Underwriting Agreement dated February 23, 2021 among the Company, Eight Capital, Stifel Nicolaus Canada Inc., Beacon Securities Limited and Haywood Securities Inc.(1)

4.21	Warrant Indenture dated March 17, 2021 between the Company and Computershare Trust Company of Canada(1)
4.22	Option Agreement dated May 26, 2020 between the Company and the Board of Trustees of the University of Illinois.(2)±
4.23	Exclusive License Agreement dated April 23, 2021 between the Company and the Board of Trustees of the University of Illinois.(1)±
4.24	Independent Contractor Agreement with Dr. Mark A. Smith dated December 1, 2022*±
4.25	Agency Agreement between the Company and Eight Capital dated August 25, 2022*±
4.26	Warrant Indenture dated August 30, 2022 between the Company and Computershare Trust Company of Canada*±
8.1	List of Subsidiaries*
11.1	Code of Business Conduct and Ethics(1)
12.1	Section 302(a) Certification of CEO*
12.2	Section 302(a) Certification of CFO*
13.1	Section 906 Certifications of CEO and CFO*
15.1	Audit Committee Charter(1)
15.2	Nominating and Corporate Governance Committee Charter(1)
15.3	Compensation Committee Charter(1)
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Notes:

*	Filed herewith.
+	Portions of this exhibit have been omitted pursuant to a request for confidential treatment. Confidential information has been omitted from the exhibit in places marked "****"and has been filed separately with the SEC.
(1)	Filed as an exhibit to our registration statement on Form 20-F as filed with the SEC on June 17, 2021 and incorporated herein by reference.
(2)	Filed as an exhibit to our registration statement on Form 20-F/A (Amendment No. 1) as filed with the SEC on July 29, 2021 and incorporated herein by reference.

SIGNATURES

The registrant certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Bright Minds Biosciences Inc.

Date: December 29, 2022

By: *Ian McDonald*
Ian McDonald
President and Chief Executive Officer

EXHIBIT 2.2

DESCRIPTION OF REGISTRANT'S SECURITIES

The following securities of our Company are registered under section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

- our Company's common shares are listed on the Nasdaq Capital Market ("Nasdaq"), under the symbol "DRUG".

Jurisdiction of Incorporation

Our Company was incorporated under the Business Corporations Act (British Columbia) on May 31, 2019.

Authorized and Issued Share Capital

Our Notice of Articles provide that our authorized capital consists of an unlimited number of common shares without par value.

As of September 30, 2022, we had 17,592,359 common shares issued and outstanding.

As of December 28, 2022, we had 18,710,359 common shares issued and outstanding.

Rights, Preferences and Restrictions Attaching to Our Shares

The Business Corporations Act provides the following rights, privileges, restrictions and conditions attaching to our common shares:

(a) to vote at meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;

(b) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of our Company, to share equally in the remaining property of our Company on liquidation, dissolution or winding-up of our Company; and

(c) subject to the rights of the preferred shares, the common shares are entitled to receive dividends if, as, and when declared by our Board of Directors.

The provisions in our Articles attaching to our common shares may be altered, amended, repealed, suspended or changed by the affirmative vote of the holders of not less than two-thirds of the outstanding common.

With the exception of special resolutions (i.e., resolutions in respect of fundamental changes to our Company, including: the sale of all or substantially all of our assets, a merger or other arrangement or an alteration to our authorized capital that is not allowed by resolution of the directors) that require the approval of holders of two-thirds of the outstanding common shares entitled to vote at a meeting, either in person or by proxy, resolutions to approve matters brought before a meeting of our shareholders require approval by a simple majority of the votes cast by shareholders entitled to vote at a meeting, either in person or by proxy.

Shareholder Meetings

The Business Corporations Act provides that: (i) a general meetings of shareholders must be held in British Columbia, or may be held at a location outside British Columbia since our Articles do not restrict our Company from approving a location outside of British Columbia for the holding of the general meeting and the location for the meeting is approved by ordinary resolution; (ii) directors must call an annual meeting of shareholders not later than 15 months after the last preceding annual meeting; (iii) for the purpose of determining shareholders entitled to receive notice of or vote at meetings of shareholders, the directors may fix in advance a date as the record date for that determination, provided that such date shall not precede by more than two months or by less than 21 days the date on which the meeting is to be held; (iv) the holders of not less than 5% of the issued shares entitled to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition; (v) only shareholders entitled to vote at the meeting, our directors and our auditor are entitled to be present at a meeting of shareholders; and (vi) upon the application of a director or shareholder entitled to vote at the meeting, the British Columbia Supreme Court may order a meeting to be called, held and conducted in a manner that the Court directs.

Limitations on Rights of Non-Canadians

Our Company is incorporated pursuant to the laws of the Province of British Columbia, Canada. There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of common shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax, however, no such remittances are likely in the foreseeable future. For additional information, see "Item 10. Additional Information - E. Taxation - Canadian Federal Income Tax Considerations for United States Residents" in our Annual Report on Form 20-F.

There is no limitation imposed by Canadian law or by our Articles or other constituent documents of our Company on the right of a non-resident to hold or vote common shares of our Company. However, the Investment Canada Act (Canada) has rules regarding certain acquisitions of shares by non-residents, along with other requirements under that legislation. For additional information, see "Item 10. Additional Information - B. Memorandum and Articles of Association - Limitations on Rights of Non-Canadians" in our Annual Report on Form 20-F.

EXHIBIT 4.24

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.

BRIGHT MINDS BIOSCIENCES INC.
INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (this "**Agreement**") is dated effective December 1, 2022

BETWEEN:

BRIGHT MINDS BIOSCIENCES INC., a company with its registered address at 1500-1055 West Georgia St., Vancouver, British Columbia (the "**Company**")

AND:

DR. MARK A. SMITH, an individual with an address at "****" (the "**Contractor**")

WHEREAS the Company wishes to engage the Contractor to perform, and the Contractor wishes to perform, certain services described in this Agreement on a contract for service basis, on the terms and conditions provided herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

PART 1
PROVISION OF SERVICES

1.1 **Services**. The Company agrees to retain the Contractor, and the Contractor agrees to be retained, to perform for the Company those services described in **Error! Reference source not found.** (the "**Services**"). In connection with that:

(a) the Contractor agrees that this Agreement is a contract for services and that the Contractor will perform the Services as an independent contractor, and not as an employee, agent, partner, or joint venture. Nothing in this Agreement or in the conduct of the parties in relation to this Agreement shall be deemed or construed as creating any relationship (whether as employer/employee, agency, joint venture, association or partnership) except as expressly agreed in this Agreement;

(b) the Contractor acknowledges and agrees that the Company is part of a group of entities including, as applicable, parent, affiliate and subsidiary companies (collectively, the "**Group**") and,

as such, the Company may request that the Contractor perform the Services for and on behalf of the Group, all of which will be covered by this Agreement and nothing in so doing will entitle the Contractor to any direct or indirect reimbursement or compensation from any other Group member except for the Contractor's compensation by the Company as expressly set out in this Agreement. For the avoidance of doubt, a reference to the Company in this Agreement shall be understood as including the Group; and

(c) in any relationship with the Company, including pursuant to this Agreement, the Contractor will fully abide by the Protection of Corporate Interests Agreement attached hereto as Schedule B (the "**POCI**"), which will be entered into by the Contractor concurrently herewith and the restrictions and obligations set out in the POCI form an integral part of the Contractor's restrictions and obligations hereunder, and are hereby incorporated by reference.

1.2 **Registrations**. As a condition to any of the Company's obligations to the Contractor under this Agreement, the Contractor will first obtain all Registrations (defined below) prior to performing any Services, and the Contractor will continue to maintain them at all times during its engagement pursuant to this Agreement. The Contractor will, both for itself and, if applicable, all of its personnel and employees ("**Personnel**"), do the following:

(a) register, maintain, and comply with any licenses, registrations, and other approvals required in connection with the performance of the Services by any government or regulator (each, a "**Registration**");

(b) obtain, maintain, and comply with all necessary work permits, visas, and immigration statutes necessary to perform the Services; and

(c) deliver to the Company, as soon as practicable but in any case as the Company requests, proof of the foregoing in good standing.

1.3 **Performance and Quality of Service**. The Contractor will perform the Services as described in **Error! Reference source not found.**, but always in a timely, competent, and professional manner and in accordance with the highest standards and practices commonly expected of qualified and experienced providers of similar services. The Contractor warrants that the Contractor has the required qualifications, skills, and experience to perform the Services. The Contractor will perform the Services in a manner which is reputable and which brings good repute to the Company, the Company's business interests and the Contractor. In the event that the Company has a reasonable concern that the business as conducted by the Contractor is being conducted in a way contrary to law or is reasonably likely to bring disrepute to the business interests of the Company or the Company's reputation, the Company may require that the Contractor make such alterations in the Contractor's business conduct or structure as the Company may reasonably require, in its sole and absolute discretion. In performing the Services, the Contractor will:

(a) review and comply with any working practices, rules or procedures applicable to independent contractors at any location where the Services are being performed (whether or not at the Company's premises);

(b) act in, and use its best efforts to promote and protect, the interests of the Group in accordance with the general policy and directions of the Company;

(c) comply with the policies of the Group that are disclosed to the Contractor from time to time;

(d) execute such further documents to acknowledge having read, understood, and agreed to be bound by such policies of the Group, as applicable from time to time;

(e) comply with all reasonable instructions given to the Contractor by the Company provided that the Contractor shall not be subject to the direction of the Company as to the manner in which the Services are to be provided;

(f) give to the Company such information regarding the provision of the Services, or obtained by the Contractor in the course of performing the Services, as the Company may reasonably request; and

(g) immediately disclose to the Company any conflict of interest (not only in respect of the Company but also with respect to the Group) that arises in relation to the provision of Services as a result of any present or future appointment, employment or other interest of the Contractor.

1.4 **Personnel.** If the Contractor uses Personnel in connection with the Services, the Contractor shall be solely responsible for the work performed by Personnel and for all of the acts and omissions of the Contractor's Personnel in connection with the Services, as if the things they did (or failed to do) were things the Contractor did (or failed to do), and the Contractor will:

(a) make sure all Personnel are trained and competent;

(b) supervise and control all Personnel;

(c) exercise exclusive responsibility for all Personnel;

(d) pay and treat all Personnel in accordance with Contractor's obligations under law; and

(e) make sure that all Personnel comply with the terms of this Agreement.

1.5 **No Authority**. In the Contractor's capacity as an independent contractor, the Contractor shall not represent the Company in any capacity whatsoever, nor shall the Contractor have any authority to legally bind the Company, orally or in writing, to any legal obligation, unless expressly authorized by this Agreement. To the extent that the Contractor has another role with the Company (such as director), any authority conferred in connection with that other role is separate herefrom, notwithstanding that the POCI applies in all such situations.

1.6 **Effort**. The Contractor will provide the full benefit of the Contractor's and as applicable, the Contractor's Personnel's, knowledge, expertise, technical skill and ingenuity in connection with the provision of the Services and is responsible for ensuring that appropriate attention, time, and effort is dedicated to deliver the Services pursuant to this Agreement.

1.7 **Equipment and Location**. The Contractor will be responsible for supplying all materials, equipment and supplies necessary to perform the Services, including any necessary office or work space, and for determining the location from which the Services are provided. From time to time the Company

may provide certain materials, equipment or space, or require the Contractor to attend to a certain location, for its own convenience and in its sole discretion.

1.8 **Concurrent Work**. Nothing in this Agreement shall prevent the Contractor from undertaking any other business activities for other clients during the term of this Agreement, provided that the Contractor has obtained the Company's prior written approval to undertake such business activities and provided that such activity does not interfere or conflict with the Contractor's obligations under this Agreement or cause a breach of this Agreement, including Section 4.1.

1.9 **Insurance and Related Premiums**. During the term of this Agreement, the Contractor shall be solely responsible for any licenses, registrations, dues and insurance premiums that may be required in respect of the provision of the Services. If **Error! Reference source not found.** sets out any particular insurance requirements, the Contractor will adhere to those.

PART 2
FEES AND EXPENSES

2.1 **Fees**. In consideration for performing the Services, the Company will pay the Contractor those fees (the "**Fees**") set out in **Error! Reference source not found.**.

2.2 **Expenses**. The Company will reimburse the Contractor for reasonable and approved expenses arising in connection with the Contractor's performance of the Services. However, the Contractor will obtain the Company's written approval before incurring any expenses. If the Contractor has done so, the Company will reimburse the Contractor in accordance with its normal policies and practices for reasonable out-of-pocket expenses or disbursements actually and necessarily incurred or made by the Contractor in performing the Services, including reasonable accommodation, food, shared transportation, and similar reasonable basic expenses required to provide the Services outside of the region of residence of the Contractor (collectively, "**Expenses**"). For all Expenses, the Contractor will supply the Company with originals of receipts, invoices or statements. The Contractor will furnish the Company with an itemized account of Expenses in such form or forms as may reasonably be required by the Company, and at such times or intervals as may be required by the Company.

2.3 **Set Off.** The Company may deduct or set off from any Fees or Expenses due to the Contractor any sums the Contractor may owe to the Company from time to time.

2.4 **Taxes**. The Company shall not be required to deduct or remit to any governmental authority any amount in respect of the Fees paid to the Contractor pursuant this Agreement, including any applicable taxes, fees, levies or other charges. The Contractor shall pay and remit taxes, fees, levies and other charges in respect of the Fees as may be required by law to any governmental authority and indemnifies and holds harmless the Company and the Group from any claims arising from the Contractor's failure to comply with any such applicable laws.

2.5 **Withholding and Remittances**. The Contractor acknowledges that (a) the Contractor is acting and will act only as an independent contractor, and (b) if the Contractor has Personnel, any and all Personnel are acting and will act only as independent contractors through the Contractor (and, in any event, never as employees or direct contractors of the Company or the Group). The Company will not provide any employee-like benefits or any direct or indirect compensation other than what the Company has expressly stated in this Agreement. The Contractor will be responsible for collecting and remitting payments for employment insurance, workers' compensation insurance, health care insurance, social

insurance, and other similar employment and tax related payments and remittances for the Contractor as required by any applicable law and the Contractor will hold the Company fully harmless against any liabilities or penalties incurred upon a failure to do so.

2.6 **Payments Subject to Claims or Liens**. The Company's obligation to pay any Fees or reimburse any Expenses will be subject to there being no claims or liens asserted relating to the Services for which the Contractor is alleged in any way to be responsible.

PART 3
TERM AND TERMINATION

3.1 **Term**. The term of this Agreement will be as set out in **Error! Reference source not found.**.

3.2 The Agreement may be terminated as follows:

(a) By the Company at any time during the term of the Agreement, without notice or pay in lieu of notice, for Cause. For purposes of this Agreement, "Cause" shall include but not be limited to:

(i) any act, omission, or behaviour by the Contractor that would constitute just cause for dismissal of an employee at common law;

(ii) as a result of any failure by the Contractor to provide the Services or to provide the Services in a competent manner, where the Contractor fails to remedy such failure to the satisfaction of the Company within fifteen (15) days after receiving notice of such failure;

(iii) upon any breach of Sections 1.2 or 1.4 of this Agreement, or the POCI attached hereto as Schedule B; or

(iv) a material breach of the Contractor's obligations under this Agreement.

(b) By the Company at any time during the term of this Agreement without Cause, and without further obligation, by providing the Contractor with one (1) month's written notice, or in the Company's sole discretion compensation for one (1) month's Fees in lieu of notice. The parties agree that the notice or payment in lieu of notice provided pursuant to this Section 3.2(b) shall fully satisfy any obligation owed by the Company to the Contractor and the Contractor shall have no further claim for termination of this Agreement.

(c) By the Contractor on three (3) months' written notice to the Company, for any reason, in which case the Company may waive or abridge such notice period in its sole discretion and the Agreement will then end on such earlier date as specified by the Company.

(d) By either party immediately on notice to the other (or its receiver or trustee in bankruptcy) if the other party is adjudged bankrupt, or if it makes a general assignment for the benefit of creditors or if a receiver is appointed on account of the its insolvency; or

(e) By mutual written agreement of the parties.

3.3 **Effect of Termination**. Any termination of this Agreement will be without prejudice to any other rights or remedies available to the terminating party and will not relieve either party of its obligations under this Agreement that have accrued up to the time of termination, and:

(a) the Contractor will immediately cease any and all use of the Company's intellectual property rights including its Confidential Information as defined and provided for in the POCI;

(b) the parties will cooperate in good faith to bring about a smooth and orderly termination and transition; and

(c) the Company's sole liability will be to pay the Contractor such Fees and Expenses as are due and payable pursuant to Part 2, within thirty (30) days of such termination, for all Services performed to the time of termination, and the Contractor will have no other claim against the Company for compensation, losses, costs, or damages.

3.4 **Survival**. All obligations and rights that, by their nature, are intended to survive the termination or expiration of this Agreement will so survive.

PART 4
RESTRICTIVE COVENANTS

4.1 **Restrictive Covenants**. The Contractor will not, directly or indirectly, without prior written consent from the Company, (whether individually, jointly or in conjunction with any person) in any manner (including any individual, firm, association, syndicate, company, corporation, or other business enterprise, as principal agent, shareholder, officer, independent contractor, employee or in any other manner whatsoever), during the term of this Agreement (or any renewal) and for a period of two (2) years from the termination of the Agreement (regardless of the reason for the termination or the party effecting it):

(a) *Non Compete* – be employed by, carry on or be engaged in, or perform services similar to those performed for the Company in respect of, any business or undertaking working on creating any compounds designed to target serotonin or NMDA receptors (a "**Competitive Business**") anywhere in the world. Notwithstanding the foregoing, the Contractor will not be in default under this provision by virtue of any involvement in an undertaking that carries on multiple businesses, one of which is a Competitive Business, provided that the Contractor is not involved in the Competitive Business;

(b) *Non-Solicitation* – solicit or canvass any customers, candidates, clients, or suppliers of the Company or the Group with whom the Contractor has worked during the previous two (2) years in a manner that has the effect of transferring to any other person, or reducing business, relationships, services or other benefits, from the Company or the Group, any customers, candidates, clients, or suppliers; or

(c) *No Hire* – seek in any way to persuade or entice any person to terminate an employment, advisory or consulting position with the Company or the Group (with whom the Employee has had contact during the previous two (2) year period or hire or retain the services of any such person, provided that nothing in this provision shall prevent the Contractor from directly or indirectly hiring or retaining any person pursuant to general, public job advertisements that are not targeted to the Company or the Group's personnel.

4.2 **Reasonableness**. The Contractor agrees that:

(a) all restrictions contained in this Part and in the POCI are reasonable and valid in the circumstances and all defences to the strict enforcement thereof by the Company are hereby waived by the Contractor;

(b) in particular, the non-competition restriction without geographic limit is reasonable given the worldwide nature of the Group's business; and

(c) the restrictions contained in this Part or the POCI are each separate and distinct covenants, severable one from the other and if any such covenant or covenants are determined to be invalid or unenforceable, such invalidity or unenforceability will attach only to the covenant or covenants as so determined and all other such covenants will continue in full force and effect.

4.3 **No Publicity**. The Contractor shall not enter into any publicity or make any announcement with regard to this Agreement without the Company's prior written consent.

PART 5
INJUNCTIVE RELIEF, INDEMNIFICATION AND LIABILITY

5.1 **Injunctive Relief**. The Contractor agrees that monetary damages for any breach of Part 4 or the POCI would be inadequate for the immediate and irreparable harm that would be suffered by the Company for any such breach, and so, on any application to any applicable court, the Company will be entitled to temporary and permanent injunctive relief against the Contractor without the necessity of proving actual damage to the Company or to the Group, and the Contractor will not raise adequacy of damages as a defence.

5.2 **Indemnity by Contractor**. The Contractor will indemnify and hold harmless the Company and the Group, and their respective directors, officers, employees, representatives, and agents, for any claims, actions, losses, expenses, costs, fees, liabilities or damages (including reasonable legal fees and disbursements and amounts paid in settlement) of every nature and kind howsoever arising out of or related to the performance of the Services by the Contractor and/or its Personnel, including but not limited to any of the following:

(a) breach of Part 4;

(b) breach of the POCI;

(c) claim by a third party that the Company or the Group has infringed any third party intellectual property or other proprietary rights as a consequence of any Services provided by the Contractor or its Personnel;

(d) fraud, gross negligence, or wilful misconduct of the Contractor or its Personnel in connection with this Agreement; or

(e) breach of applicable law by the Contractor and/or its Personnel.

5.3 **Exclusion and Limit of Liability**. Except for a contravention of law, or in the case of an indemnity under Section 5.2, in no event will:

(a) either party be liable for any claims made by the other for any special, indirect, incidental, or consequential damages in connection with this Agreement, whether for negligence or breach of contract, including without limitation loss of business opportunities, profits, or revenues, and whether or not the possibility of such damages or loss of opportunities, profits, or revenues has been disclosed in advance or could have been reasonably foreseen; and

(b) the Company's liability for any and all direct damages in connection with this Agreement in aggregate exceed the total Fees actually paid or payable to the Contractor for the Services performed under Part 2.

PART 6
GENERAL TERMS

6.1 **Force Majeure**. For the purposes of this Agreement, "**Force Majeure**" means an event or circumstance beyond the reasonable control of a party that prevents or delays that party's ability to perform its obligations under this Agreement, including Acts of God, strikes and labour disputes, fires, floods, earthquakes, power or telecommunication failure or interruption, war, riots, Internet slow-downs or failures, insurrection or civil disturbances and personal incapacity including illness or death, but excludes a lack of money, credit or financing. In all cases, despite anything else in this Agreement, if Force Majeure delays or prevents a party from wholly or partly performing its obligations under this Agreement, it will be relieved of those obligations to the extent, and for the period, that it is affected by such Force Majeure, provided that it: (a) notifies the other party as soon as practicable, and (b) uses commercially reasonable efforts to mitigate the Force Majeure. For greater certainty, nothing in this Section 6.1 prevents the Company from terminating this Agreement in accordance with Sections **Error! Reference source not found.** and **Error! Reference source not found.**

6.2 **Precedence**. The provisions of the POCI are in addition to, and are not intended to replace or conflict with (a) any other privacy, protection of personal information, non-disclosure, or confidentiality agreements in writing between the parties and relevant to the Services or the subject matter of this Agreement, (b) any common law duties of confidentiality or privacy that may be owed by one party to another, or (c) this Agreement. To the extent of any conflict or inconsistency between the terms of such provisions with any such other agreement or common law obligations, or any other terms of this Agreement, the provisions that are the most protective of the Company's and the Group's proprietary interests will prevail in order to resolve the same.

6.3 **Entire Agreement**. This Agreement, including all Schedules and the POCI, forms the entire agreement between the parties and supersedes and fully replaces every previous agreement, communication, expectation, negotiation, representation, or understanding, whether oral or written, express or implied, statutory or otherwise between the parties with respect to the subject matter of this Agreement. Neither party has relied on any representation, warranty, covenant, obligation or statement that is not expressly set out in this Agreement.

6.4 **Waivers and Amendments**. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by a written agreement between the parties. Failure or delay by either party to enforce compliance with any term or condition of this Agreement will not constitute a waiver of such term or condition.

6.5 **Governing Law and Jurisdiction**. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia. All claims, issues, disputes and controversies

arising in connection with or out of this Agreement will be adjudicated in the courts of the Province of British Columbia, which will have exclusive jurisdiction with respect to all matters arising hereunder.

6.6 **Notice**. Every notice, request, demand, or direction (each, for the purposes of this section, a "**notice**") to be given pursuant to this Agreement by either party to another will be in writing and will be delivered or sent by registered or certified mail, postage prepaid and mailed in any government post office, or other similar form of written communication, and in each case, addressed as above or to another address as notified hereunder from time to time. Any notice delivered in accordance with this Section will be deemed to have been given and received on the day it is so delivered at such address, provided that such day is not a Business Day. If notice is so delivered on a day that is not a Business Day, then the notice will be deemed to have been given and received on the next Business Day. In this Agreement, "**Business Day**" means any day that is not a Saturday, Sunday or civic or statutory holiday in the Province of British Columbia.

6.7 **Subcontracting and Assignment**. The Contractor will not, without the Company's prior written consent (in its sole discretion), subcontract or otherwise assign, in whole or in part, any or all of the Contractor's rights or obligations under this Agreement. Any purported transfer or assignment by the Contractor without the Company's prior written consent will be null and void.

6.8 **Enurement**. This Agreement will enure to the benefit of and be binding upon the parties hereto, their respective successors, heirs, representatives, administrators and permitted assigns. The Company shall have the right to assign this Agreement, or the benefit thereof, to the Group or to any successor (whether direct or indirect, by purchase, amalgamation, arrangement, merger, consolidation or otherwise). The Contractor, by the Contractor's signature hereto, expressly consents to such assignment and, provided that the Group or such successor, as applicable, agrees to assume and be bound by the terms and conditions of this Agreement, all references to "the Company" hereunder shall include the Group and any such successor, as applicable.

6.9 **Severability**. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect. The parties hereto agree to negotiate in good faith to agree to a substitute provision, which will be as close as possible to the intention of any invalid or unenforceable provision as may be valid or enforceable.

6.10 **Interpretation**. In this Agreement: (a) "**Section**" means a section, subsection, paragraph, or sub-paragraph of this Agreement and "**Part**" means a captioned part of this Agreement; (b) headings are included in this Agreement for convenience of reference only and do not form part of this Agreement; and (c) the word "**including**" is not meant to be limiting (whether or not used with phrases such as "without limitation" or "but not limited to") and the word "**or**" is not meant to imply an exclusive relationship between the matters being connected.

6.11 **Independent Legal Advice**. Each party acknowledges having fully read and understood this Agreement, and having either received independent legal advice, or having had the opportunity to receive independent legal advice, with respect to this Agreement. Each party is signing this Agreement voluntarily, without coercion or compulsion, and without relying upon any representations, promises or terms, except as expressly set out in this Agreement.

6.12 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. The counterparts of this Agreement may be executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for the purposes of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement with effect as of the day and year first above-written.

BRIGHT MINDS BIOSCIENCES INC.

Per: *<u>/s/ Ian McDonald</u>*
Authorized Signatory
Name:
Title:

Dr. Mark A. Smith

<u>/s/ Mark A. Smith</u>
Signature of Contractor

<u>/s/ November 13, 2022</u>
Date of Signature

SCHEDULE A
SERVICES AND OTHER RELATED TERMS

A1. **Services (Scope of Work)**. The Services will consist of the services normally and reasonably associated with the position of Chief Medical Officer, and such other services as may be reasonably requested or assigned by the Company from time to time.

A2. **Reporting.** The Contractor will report to the following person at the Company: Ian McDonald, CEO

A3. **Insurance**. The insurance the Contractor carries will meet additional terms as requested by the Company from time to time.

A4. **Location and Equipment**. The Contractor will provide the Services from the Contractor's city of residence and is responsible for providing (at its own expense) such facilities, systems, communication devices, hardware, software, tools, materials and other equipment necessary to perform the Services. To the extent that the Company may temporarily provide equipment or facilities for the Contractor's use in performing the Services, the Contractor will use them for the Services only, the Contractor will keep them in good condition (reasonable wear and tear excepted), and the Contractor will return them to the Company upon its request, and in any event, upon termination of this Agreement. The Company shall assist the Contractor in obtaining a visa for such travel.

A5. **Term.** The term of this Agreement begins on the date first set forth above (the "Effective Date") and will continue for an initial period of one (1) year unless terminated earlier in accordance with the terms of the Agreement. The Agreement will automatically renew for successive terms of one year, unless the Company provides notice to Contractor no less than thirty (30) days prior to the end of the then-current term of its intention not to renew.

A6. **Fees.** The Contractor will provide the Services as needed. The Contractor will be compensated for the Services as follows: $205,000 (USD) annually, payable in equal monthly installments.

A.7 **Signing Bonus.** The Company shall pay to the Contractor a signing bonus on signature of this Agreement in an amount of $35,000 USD. Should the Contractor fail to perform the Services in a manner satisfactory to the Company during the first twelve (12) months of this Agreement, then the Contractor agrees to repay a prorated amount of the bonus to the Company.

A8. **Options.** The Contractor shall be granted 300,000 stock options (the "Options") at the applicable closing price as at grant pursuant to Part 5 of Policy 6 of the Canadian Securities Exchange, on the terms of the Company's Stock Option Plan dated July 1, 2020, with 25% of the Options to vest on the first, second, third, and fourth anniversary of the date of grant.

A.9 **Payment and Invoices**. The Contractor will invoice the Company on the first day of each calendar month for the Fees incurred in respect of that month and shall deliver such invoice to the attention of Bright Minds Biosciences Inc. or as otherwise directed by the Company. All invoices will include a report on the Services performed together with an accounting of the time since the last invoice the Contractor spent providing the Services. The Company will pay all invoices within thirty (30) calendar days of receipt of an undisputed invoice.

SCHEDULE B
PROTECTION OF CORPORATE INTERESTS AGREEMENT

[See Attached]

BRIGHT MINDS BIOSCIENCES INC. (THE "COMPANY")
PROTECTION OF CORPORATE INTERESTS AGREEMENT

As a fundamental term and condition of my direct or indirect engagement with the Company, its affiliates, including any parent or subsidiary companies, or any other companies under common control of or with the Company (collectively, including the Company, the "**Group**"), and in consideration of my access to and receipt of information, intellectual property and resources of the Group as well as the agreement of the Company to provide compensation as set out in the agreement defining my relationship (including, if I am engaged through a corporate contractor, the direct and indirect benefit I will receive from such contractual relationship), all acknowledged by me to be good and sufficient, I agree with the Company as follows:

1. **Effectiveness**. This Agreement is effective as of the date set out below (the "**Effective Date**"), but applies to all Confidential Information and Inventions (each as defined below) as and from the earliest date that I performed services for the Company or any other entities of the Group, whether as contractor, consultant, officer, advisor, employee, director or otherwise, or whether directly myself or indirectly contracted through a third party (the "**engagement**").

2. **Confidential Information**. In this Agreement, "**Confidential Information**" includes any data, proprietary information, trade secrets, know-how, inventions, chemical compounds, chemical formulations, research and development, techniques, materials, training, products, technology, computer programs, prototypes, specifications, drawings, schematics, sketches, patent applications, patent application drawings, manuals, software, test results, technical data, tools, systems, methods of use, processes, programs, marketing plans, sales plans, product plans, business plans, strategies, business partners and relationships, business operations and methods, financial information, products, services, customer data (including requirements), formulas, designs, engineering or other information disclosed or submitted to me, or made available for access by me, by or on behalf of any of the Group concerning the business of one or more of the Group, in each case (i) whether direct or indirect, (ii) regardless of the means or media of disclosure or access, (iii) whether it is in writing or made available orally, visually, aurally, electronically whatever form, and (iv) whether disclosed prior to, contemporaneously with or after the Effective Date. I agree with the Company's intent to define Confidential Information as broadly as possible within the permissible context of applicable law.

(a) **Inclusions**. During my engagement, one or more of the Group (or other parties on their behalf) will provide me with, and I will have access to, Confidential Information, which has been created and developed by the Group at substantial expense. Without limiting anything else in this Section 2, I agree that Confidential Information includes all information made available to me by or on behalf of the Group that (i) is not available or known to the general public, (ii) by its nature or the nature of its disclosure, would reasonably be determined to be confidential or proprietary, or to have value in being kept confidential, (iii) is Third Party Information (as defined below), or (iv) is marked or indicated as proprietary or confidential.

(b) **Disclosure or Misuse of Confidential Information**. I will not, at any time (during my engagement and thereafter), directly or indirectly disclose or make accessible to any person, or make any use of, any Confidential Information, except as expressly authorized by the Company in writing or as strictly required by my engagement. I will protect the Confidential Information using at least the same standard I treat my most sensitive information, but in any event never less than a reasonable degree of care (which includes my adherence to any policies about Confidential Information made available to me by the Group from time to time). I will take all steps necessary to safeguard Confidential Information from unauthorized disclosure as set out in this Agreement, and I will not, directly or indirectly (i) copy or use any Confidential Information except as strictly necessary to make any disclosure permitted by this Agreement or to carry out the duties of my engagement, (ii) develop, manufacture, produce or distribute any physical, intangible or electronic product or other technology derived from, or that uses, Confidential Information, other than for the Group's benefit, or (iii) disclose Confidential Information except strictly to authorized Company directors, officers, consultants, representatives or personnel, and only where necessary in connection with my duties of engagement. Unless express written consent is given by the Group, I shall not decompile, disassemble, or reverse engineer by any means whatsoever, or alter, modify, enhance, or create derivative works of the Confidential Information.

(c) **Restricted Information**. I will not improperly use or disclose any proprietary information of any former or concurrent employer (or other person to whom I have an obligation of confidentiality) in my engagement, and I will not bring onto any Group entity premises any unpublished or proprietary documents or information of such person unless consented to in writing by the Company and that person.

(d) **Third Party Information**. I understand that the Group has received, and will receive, from third parties confidential information subject to a duty of confidentiality by the Group (collectively, "**Third Party Information**"). At all times (during my engagement and thereafter) I will hold such Third Party Information in strictest confidence and will not disclose it to

anyone other than Group personnel who need to know it in connection with their work for the Group, nor will I use it except where necessary in connection with my duties of engagement.

(e) **Required Disclosures**. If I become subject to legally-binding requirements to disclose Confidential Information to a court, regulator, or other authority having jurisdiction over me (including by requests for information or documents, subpoenas, civil investigative demand or other similar process), I will only disclose strictly what I am required to disclose in order to comply with that requirement, but only after I, (i) unless prohibited by such applicable law, give the Company written notice as soon as possible so that it may contest the requirement or seek protections, and (ii) cooperate in good faith with the Company in its efforts to do so.

(f) **Exceptions**. My obligations under Section 2 do not apply to information that (i) is or becomes generally known in the industry or to the general public rightfully without restrictions of confidentiality, (ii) I rightfully had in my possession prior to my engagement or my access to the Confidential Information, or (iii) I acquire from a third party who has the right to disclose it to me without an obligation of confidentiality after my engagement.

3. **Inventions**. I agree with the Company's intent that the Company will own all right, title and interest in and to all Inventions (as defined below). As such, I hereby represent, warrant and covenant as follows:

(a) **Definitions**. In this Agreement, (i) "**Inventions**" means and includes any and all inventions, original works of authorship, developments, concepts, improvements, designs, social media posts, logos, discoveries, ideas, trademarks, work product, Confidential Information, data, and all tangible and intangible materials, in each case whether or not patentable or registrable under copyright or other intellectual property laws anywhere in the world, and (ii) "**Work Product**" means Inventions that I (solely or jointly with others) conceive of, develop, create, improve, acquire, reduce to practice or otherwise make, refine or bring into existence, or cause any of the foregoing to be done (collectively, "**Develop**"), whether or not during regular working hours and whether or not I was specifically instructed to do so, that (A) in any way relate to the present or proposed programs, services, products or business of the Group or to tasks assigned to me in relation to my engagement; or (B) I, in any way, used any Group entity's property, products, processes, software or other resources, including any Confidential Information or personnel.

(b) **Assignment of Work Product**. I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company (or its designee), and hereby assign to the Company (or its designee), all of my right, title, and interest (including all intellectual property rights) in and to all Work Product. To the extent I may, by operation of law or otherwise, acquire any right, title or interest (including any intellectual property right) in or to any Work Product, I hereby irrevocably assign to the Company (or its designee) all such rights, titles and interests (and by so acquiring any such right, title or interest, I will be deemed to have so assigned such rights, titles and interests by this written instrument). Furthermore, I waive for the benefit of the Group and any of their successors in interest any and all of my moral rights in and to all Work Product. To the extent the laws of the United States of America apply to any copyrightable work, the Work Product are "works made for hire" and are owned by the Company.

(c) **No Obligations to Third Parties**. Except otherwise in accordance with the terms of this Agreement, I am not under any obligation to assign any of my rights, title, or interest in or to any Inventions or Work Products to any third parties, or to waive my moral rights in such Inventions or Work Products in favour of any third parties. For certainty, I hereby confirm that I am not affiliated with, a student of, employed by, or otherwise owe any obligations to any government entity, academic institution, for-profit entity, or not-for-profit entity, and that my ability to assign all of my rights, title, and interest in and to any Inventions or Work Products is unencumbered or subject to any prevailing obligation to a third party.

(d) **Further Acts**. During and after my engagement, upon the request of any Group entity, I will promptly execute and deliver to such Group entity all such assignments, certificates, and instruments as so requested, and will promptly perform such other acts, as the Group entity may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's (or its designees') rights in Confidential Information or Work Product, provided that if the request requires that I undertake any travel or incur any costs in connection with performing such obligations after I am no longer engaged by any Group entity, the Company or the relevant Group entity will reimburse me for my actual, reasonable, and documented costs incurred in connection therewith.

(e) **Third Party or Prior Inventions**. I agree not to introduce into any Work Product or any of the Group's products, processes, machines, software or services (or otherwise use in connection with the duties of my engagement) any Inventions or proprietary or intellectual property rights in which I have any interest whatsoever (collectively, including any of the same that were made by me prior to or outside of my engagement, referred to as my "**Prior Inventions**"), or in which any third parties have any rights, titles or interests (collectively, "**Third Party Inventions**"), without first obtaining the written consent of the Company in accordance with the Group's policies as disclosed to me from time to time. If I do incorporate any Prior Invention, I hereby irrevocably grant (and by such action will be deemed to have granted, by this written instrument) a nonexclusive, sublicensable, royalty-free, irrevocable, perpetual, worldwide license to the Company and each of the Group to make, modify, use, and sell (or have made, modified, used or sold) such Prior Invention as part of or in connection with its or their business as may exist from time to time. If I do incorporate any Third Party

Invention, I will first provide the Company with the relevant third party license thereto for its review and approval, at all times in accordance with the development policies of the Group.

(f) **Maintenance of Records**. I will keep and maintain adequate and current written records of all Inventions that are Developed by me during the term of my engagement (regardless of whether I believe them to be Work Product). The records will be in the form of notes, sketches, drawings, and/or any other format that may be specified by the Group's policies from time to time, and I will make them available to, and they will be the sole property of, the Company (or its designee) in accordance with this Section 3 as the Company's Confidential Information.

(g) **Registrations**. I will at all times during and after my engagement assist the Group (or their respective designees), at their expense, in every proper way to secure all rights in the Work Product and any copyrights, patents, mask work rights, or other intellectual property rights relating thereto in any and all countries, including (i) the disclosure to the Company of all pertinent information and data with respect thereto, and (ii) the execution of all applications, specifications, oaths, assignments, and all other instruments that the Group deem necessary to apply for and obtain such rights and to assign and convey to the Company (or its designee), its successors, assigns, and nominees, the sole and exclusive rights, title, and interests (including all such rights) in and to such Inventions. I agree that it is my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers after the termination of this Agreement. If a Group entity is unable because of my mental or physical incapacity, or for any other reason, to secure my signature, then I hereby irrevocably and unconditionally designate and appoint the Company (or its successors in interest) and their duly authorized officers and agents as my agent and attorney in fact, to act for and on my behalf and in my stead to execute and file any such applications, and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by me. This appointment is coupled with an interest in the Confidential Information and the Inventions and will survive my death or disability.

(h) **Acknowledgements**. I acknowledge that the decision whether or not to commercialize or market any Work Product to which I made any contribution whatsoever is within the Company's sole discretion and for the Group's sole benefit, and that no royalty or remuneration will be due to me as a result of any efforts to commercialize or market them. If my access, possession, use or creation of Confidential Information or Work Product gives rise to a business opportunity for the commercial exploitation thereof, any such exploitation by me (or my assisting any third party in so exploiting the same) other than for the sole benefit of the Group is strictly prohibited.

4. **Injunctive Relief**. Any breach or threatened breach of these covenants will cause irreparable injury to the Company and other members of the Group for which money damages would be difficult or impossible to calculate, and the Company and other members of the Group would not have an adequate remedy at law for such breach or threatened breach. Accordingly, temporary injunctive relief is an appropriate remedy against any such breach or threatened breach, without bond or security; provided that nothing herein will be construed as limiting any other legal or equitable remedies that the Company or, as intended third party beneficiaries, any Group entity, might have.

5. **Returning Group Documents**. On the Company's request at any time but in any event on the effective date that my engagement by the Company terminates, I will promptly deliver to the Company (and will not keep in my possession, recreate, recover or deliver to anyone else) any and all Confidential Information of the Group, or other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to my engagement or otherwise belonging to the Group, including any Work Product (whether work-in-progress or complete) of any nature, including all copies thereof further including records maintained pursuant to Section 3(f). If any materials reside electronically on non-removable media that is not itself returned to the Company or is otherwise not capable of return, I will deliver an electronic copy thereof to the Company, but in any event I will delete and destroy all electronic copies and will not thereafter directly or indirectly permit or perform any recovery or restoration thereof, through forensics, archives, undeletion or otherwise, without the Company's prior written approval.

6. **Successors; Third Party Beneficiary**. Any successor to the Company or any Group entity (as intended third party beneficiaries), whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation, or otherwise, of all or substantially all of its or their business and/or assets, will assume the rights and remedies afforded to the Company or such Group entity under this Agreement, and their rights and my obligations under this Agreement will apply to such successors in the same manner and to the same extent as in the absence of a succession. For all purposes under this Agreement, (a) the term "**Group**" includes any successors to the Group's business and/or assets, and (b) each of the Group (and their successors) will be deemed a third party beneficiary of this Agreement and entitled to enforce this Agreement (and seek any remedy hereunder) to the extent relating to its business, Confidential Information or Inventions. To the extent that the foregoing is not sufficient to avail any Group member of any legal or equitable right, benefit or remedy hereunder, the Company irrevocably agrees that it holds the benefits and rights of such Group member as trustee and agent for and on behalf of the same, and acknowledges the direct right of the same to enforce the same, and will reasonably assist any Group member in enforcing such rights on its behalf.

7. **No Assignment by Me**. Without the written consent of the Company, I will not assign or transfer this Agreement or any right or obligation under this Agreement to any other person. For

greater certainty, if I become engaged by any of the Group entities other than the Company, the terms of this Agreement will continue to govern, with such changes being made as necessary for such new Group entity employer or contractor.

8. **Notice**. The parties agree that all notices under this Agreement will be given in writing and will be served upon the person to whom the notice is addressed in the same manner as notices under my employment, contractor, advisor or engagement agreement. I will promptly notify the Company if I become aware of any violation of this Agreement by me or any other person, and will give the Company all reasonable assistance in connection therewith.

9. **Severability**. If a provision or term of this Agreement is determined to be invalid or unenforceable under any applicable law, this Agreement will be considered divisible and will become and be immediately amended to the extent necessary to be valid and enforceable. This Agreement, as so amended, will be valid and binding as though the invalid or unenforceable provision never had been included.

10. **Integration**. This Agreement and my engagement agreement represent the entire agreement and understanding between myself and the Group as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. Notwithstanding this, I acknowledge and agree that this Agreement is in addition to, and is not intended to replace or conflict with, any similar obligations that may exist between any of the Group and me with respect to Inventions or Confidential Information, including (a) other privacy, protection of personal information, non-disclosure, or confidentiality agreements in writing between the parties and relevant to my engagement or the subject matter thereof, or (b) statutory, civil, equitable, fiduciary or common law duties of confidentiality or privacy that may be owed by me to the Group, or remedies that the Group may have against me ("**Concurrent Obligations**"). If there is any necessary conflict or inconsistency between the Concurrent Obligations, my engagement agreement and this Agreement, the provisions that are the most protective of the Group's rights, titles and interests in and to Inventions or Confidential Information of the Group will prevail in order to resolve the same. Nothing in this Agreement will be construed as defining my duration of engagement, or limiting in any way the right of the Company or me to terminate my engagement pursuant to the terms of my engagement agreement.

11. **Interpretation.** Headings are included in this Agreement for convenience of reference only and do not form part of this Agreement. Except as the context requires, the word **"including**" is not meant to be limiting (whether or not used with phrases such as "without limitation" or "but not limited to") and the word **"or**" is not meant to imply an exclusive relationship between the matters being connected. A reference to a **"person**" includes unless the context requires otherwise means any person or entity, including any individual, person, organization, firm, corporation, partnership or business.

12. **Survival**. The provisions of this Agreement will survive the termination of my engagement for any reason, whether voluntary or involuntary, as well as the assignment of this Agreement or my engagement agreement by the Company to any successor in interest or other assignee. The provisions of this Agreement will continue to apply to me notwithstanding any change in my engagement, whether fundamental or not and whether incremental or not.

13. **Amendments**. No amendment of this Agreement will be binding unless in writing and signed by the party against whom enforcement of any such amendment is sought. Employee manuals, policies, or similar items issued from time to time by the Group do not form part hereof or modify the terms of this Agreement, and are included for clarification only.

14. **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein, without reference to choice of law rules.

15. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be an original, and all of which together will constitute one and the same instrument.

[Signature page follows]

IN WITNESS OF WHICH, I have executed this Agreement, intending to be legally bound by it with the Company, as of the date below:

AGREED TO this 21st day of December, 2022.

DR. MARK A. SMITH

/s/ Mark Smith
Signature

(*Please also read and initial next to each statement below*)

X I have read and fully understood this Agreement and its terms, I am fully aware of my rights and obligations under this Agreement, and I have been given the right to consult with independent counsel before signing this Agreement.

X I have been given good and valuable consideration, including my engagement by the Company, and (to the extent that I have signed this after my engagement with the Company has already begun) such other additional benefits or advantages conferred upon me in connection with my signing this Agreement, including at least the Company's agreement to pay me CDN$1.

ACCEPTED AND AGREED:

BRIGHT MINDS BIOSCIENCES INC.

By: */s/ Ian McDonald*
Authorized Signatory
Name: Ian McDonald
Title: CEO

EXHIBIT 4.25

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.

AGENCY AGREEMENT

August 25, 2022

Bright Minds Biosciences Inc.
19 Vestry Street
New York, NY
10013

Attention: Mr. Ian McDonald, President and Chief Executive Officer

Dear Sir:

The undersigned, Eight Capital, as the sole agent and bookrunner (the "**Agent**"), understands that Bright Minds Biosciences Inc. (the "**Corporation**") proposes to issue up to 2,858,000 units of the Corporation ("**Units**") at a price of $1.40 per Unit (the "**Purchase Price**") for aggregate gross proceeds of up to $4,001,200, pursuant to the terms of this agency agreement (this "**Agreement**"). Each Unit will consist of (i) one common share in the capital of the Corporation ("**Common Shares**" or in respect of the Offering (as defined below), each, an "**Offered Share**"); and (ii) one Common Share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Common Share (each, a "**Warrant Share**") at an exercise price of $1.76 per Warrant Share at any time before 5:00 p.m. (Vancouver time) on the day that is 24 months following the Closing Date (as hereinafter defined). The Units, Offered Shares and Warrants are referred to collectively as the "**Offered Securities**".

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture (as hereinafter defined) to be entered into between the Warrant Agent (as hereinafter defined) and the Corporation to be dated as of the Closing Date. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern. The Units will separate at Closing (as hereinafter defined).

In addition, the Corporation hereby grants the Agent an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, at the sole discretion of the Agent, for a period of 30 days from and including the Closing Date, under which the Agent may purchase up to an additional 15% of the number of Units sold pursuant to the Offering, being up to 428,700 Units (the "**Additional Units**"), at the Purchase Price, each such Additional Unit comprised of one Common Share (each an "**Additional Offered Share**" and, collectively, the "**Additional Offered Shares**") and one Warrant (an "**Additional Warrant**" and, collectively, the "**Additional Warrants**", to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agent to acquire Additional Units, Additional Offered Shares and/or Additional Warrants so long as the aggregate number of Additional Offered Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed does not exceed 15% of the number of Offered Shares and Warrants, respectively, issued under the Offering.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent, and the Agent hereby agree to act, as exclusive agents to the Corporation to arrange for the sale of the Offered Securities, on a "best effort" basis, to Purchasers (as hereinafter defined) resident in the Selling Jurisdictions (as hereinafter defined) and in such other jurisdictions as may be agreed to by the Corporation and the Agent, provided that the Offered Securities are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of such jurisdictions. The offer and sale of the Offered Securities is referred to as the "**Offering**".

Unless the context otherwise requires, all references to: (i) the "Offering" shall be deemed to include the Over-Allotment Option; (ii) "Offered Securities" shall be deemed to include the Additional Securities; (iii) "Units" shall be deemed to include the Additional Units; (iv) "Offered Shares" shall include the Additional Offered Shares; and (v) "Warrants" shall include the Additional Warrants, which may be issued pursuant to the Over-Allotment Option on the Option Closing Date (as hereinafter defined).

The Corporation has prepared and filed with the British Columbia Securities Commission (the "**Reviewing Authority**") and the other Securities Commissions (as defined herein) in accordance with National Instrument 44-101 – *Short Form Prospectus Distributions* and National Instrument 44-102 – *Shelf Distributions* (collectively, the "**Shelf Procedures**"), a (final) short form base shelf prospectus dated June 7, 2021 relating to the offering of common shares, debt securities, subscription receipts, warrants and units of the Corporation with a total offering price in the aggregate of up to $50,000,000 (the "**Base Prospectus**") and has obtained from the Reviewing Authority a Decision Document (as defined herein) for the Base Prospectus for and on behalf of itself and each of the other Securities Commissions pursuant to National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* ("**NP 11-202**"). The Offering will be made by way of a prospectus supplement to the Base Prospectus dated the date hereof (the "**Prospectus Supplement**") and filed in the Qualifying Jurisdictions (as defined below) pursuant to the Shelf Procedures.

The Agent will solicit offers in the Selling Jurisdictions. Offers to purchase the Units solicited by the Agent will be subject to acceptance by the Corporation and to the requirements of Applicable Securities Laws (as defined herein) or other applicable laws. The Corporation will have the sole right to accept offers to purchase Units and reserves the right to withdraw, cancel or modify the offer made pursuant to the Prospectus Supplement and may, in its absolute discretion, reject any proposed purchase of Units, in whole or in part. For greater certainty, the Agent are under no obligation to purchase any Units

In consideration of the services to be rendered by the Agent in connection with the Offering hereunder, the Corporation agrees to pay to the Agent at the Closing Time (as hereinafter defined) a cash commission equal to 7.0% of the gross proceeds of the Offering (the "**Agent's Fee**"). As additional compensation for the services rendered by the Agent in connection with the Offering, the Corporation shall issue to the Agent compensation warrants (the "**Compensation Warrants**") exercisable to purchase that number of Units (each, a "**Compensation Unit**") as is equal to 7.0% of the aggregate number of Units issued pursuant to the Offering. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Unit at the Purchase Price, subject to adjustment in certain customary events, at any time prior to 5:00 p.m. (Vancouver time) on the date which is 24 months from the Closing Date. Each Compensation Unit will consist of one Common Share (each, a "**Compensation Unit Share**") and one common share purchase warrant of the Corporation (each, a "**Compensation Unit Warrant**"), with each Compensation Unit Warrant exercisable to acquire one Common Share (each, a "**Compensation Warrant Share**") at an exercise price of $1.76 per Compensation Warrant Share at any time for a period of 24 months following the Closing Date, subject to adjustment in certain events. At the Closing Time, the Corporation shall execute and deliver to the Agent certificates evidencing the Compensation Warrants (the "**Compensation Warrant Certificates**") to which the

Agent are entitled, in a form to be agreed upon by the Agent and the Corporation, each acting reasonably.

The Corporation shall also pay the Agent, at the Closing Time, a corporate finance fee in the amount of $50,000 plus GST (the "**Corporate Finance Fee**"). At the discretion of the Agent, the Corporate Finance Fee may be deducted from the gross proceeds of the Offering otherwise payable to the Corporation at the Closing Time. It is understood and agreed that: (i) the Agent and any Selling Firm shall not be required to conduct a suitability review in respect of sales by the Corporation of the Units to any of the Purchasers on the President's List (as defined herein); (ii) the Agent and any Selling Firm shall not be obligated, and may, in their sole discretion, refuse to process any subscription for Units from any Purchasers on the President's List; and (iii) the Corporation shall indemnify and save harmless the Agent, any Selling Firm and any Indemnified Party (as defined herein) for and against all losses relating to any sales of Units by the Corporation to any Purchasers on the President's List.

The parties acknowledge that the Offered Securities, the Warrant Shares, the Compensation Warrants, the Compensation Units issuable upon exercise of the Compensation Warrants, and the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrant, have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or any U.S. state securities laws and may not be offered or sold in the United States (as hereinafter defined) or to, or for the account or benefit of, U.S. Persons (as hereinafter defined), nor may the Warrants or the Compensation Warrants be exercised in the United States or by or on behalf of a U.S. Person, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws in the manner specified in this Agreement, the U.S. Placement Memorandum and Schedule "A" hereto which is incorporated into and forms part of this Agreement. All actions to be undertaken by the Agent in the United States in connection with the matters contemplated herein will be undertaken through the U.S. Affiliate (as defined in Schedule "A" hereto).

The terms and conditions relating to the purchase and sale of the Offered Securities are as follows:

1 Definitions and Interpretation

(a) In this Agreement:

"**Accredited Investor**" means an accredited investor meeting one or more of the criteria in Rule 501(a) of Regulation D;

"**affiliate**" shall have the meaning ascribed thereto in the *Business Corporations Act* (British Columbia);

"**Agent's Counsel**" means DLA Piper (Canada) LLP;

"**Agent's Expenses**" has the meaning given to the term in Section 10;

"**Agent's Fee**" has the meaning ascribed to such term on the second page of this Agreement;

"**Agreement**" means this agency agreement, including all schedules hereto, as it may be amended, restated or supplemented;

"**Applicable Securities Laws**" means the Securities Laws in each of the Qualifying Jurisdictions;

"**Auditors**" means DeVisser Gray LLP, the auditors of the Corporation, or such other duly appointed and qualified auditor appointed by the Corporation from time-to-time;

"**Base Prospectus**" has the meaning given to that term on the second page of this Agreement;

"**Business**" means the business carried on by the Corporation and the Subsidiaries as described in the Prospectus, including the development of therapeutics to improve the lives of patients with severe and life-altering diseases;

"**Business Data**" means all data and personal information accessed, processed, collected, stored or disseminated by the Corporation or the Subsidiaries;

"**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario or Vancouver, British Columbia;

"**Canadian Securities Regulators**" means, collectively, the Securities Regulators in the Qualifying Jurisdictions;

"**Claims**" has the meaning given to that term in Section 11(a)of this Agreement;

"**Closing**" means the completion of the issue and sale by the Corporation of the Units pursuant to this Agreement;

"**Closing Date**" means the date of Closing;

"**Closing Time**" means 5:00 a.m. (Vancouver time) on the Closing Date, as applicable, or any other time on the Closing Date, as may be agreed to by the Corporation and the Agent, each acting reasonably;

"**Common Share**" means one common share in the capital of the Corporation as presently constituted;

"**Compensation Unit**" has the meaning ascribed to such term on the second page of this Agreement;

"**Compensation Unit Share**" has the meaning ascribed to such term on the second page of this Agreement;

"**Compensation Unit Warrants**" has the meaning ascribed to such term on the second page of this Agreement;

"**Compensation Warrant**" has the meaning ascribed to such term on the second page of this Agreement;

"**Compensation Warrant Certificates**" has the meaning ascribed to such term on the second page of this Agreement;

"**Compensation Warrant Share**" has the meaning ascribed to such term on the second page of this Agreement;

"**Corporate Finance Fee**" has the meaning ascribed to such term on the third page of this Agreement;

"**Corporation**" means Bright Minds BioSciences Inc. and includes any successor corporation to or of the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability, including any convertible debentures issued by the Corporation;

"**Decision Document**" means a receipt for the Base Prospectus issued by or on behalf of the Securities Commissions in accordance with the Passport System;

"**distribution**", "**material change**", "**material fact**" and "**misrepresentation**" shall have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, Marketing Materials, business acquisition reports or other documents issued by the Corporation, whether before or after the date of this Agreement, that are required by Applicable Securities Laws to be incorporated by reference into the Prospectus;

"**Exempt Plans**" means trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts, each as defined in the *Income Tax Act* (Canada);

"**Financial Statements**" means the financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, prepared in accordance with international financial reporting standards as in force at the applicable time;

"**Governmental Authority**" means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing and for greater certainty, includes, but is not limited to, Health Canada, the Securities Commissions, NASDAQ and the CSE;

"**Health Care Laws**" means and includes, without limitation: (i) the United States Federal Food, Drug, and Cosmetic Act; (ii) all applicable supranational, foreign, federal, state, provincial, and local health care related fraud and abuse laws and regulations and all criminal laws relating to health care fraud and abuse, and (iii) any and all other applicable supranational, foreign, federal, state, provincial, and local laws relating to the manufacturing, development, testing, labeling, marketing, advertising, promotion, or distribution of medical devices, the billing, payment, or reimbursement of or for medical devices or medical procedures involving those devices, kickbacks, referrals, the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care programs;

"**including**" means including, without limitation;

"**Intellectual Property**" means any of the following, as they exist anywhere in the world, whether registered or unregistered, all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, industrial designs, know-how (including trade

secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), software, inventions, designs and other industrial or intellectual property;

"**Laws**" means Applicable Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Licensed IP**" means the Intellectual Property that is licensed to the Corporation and/or the Subsidiaries and material to the business of the Corporation and the Subsidiaries (and as described in the Prospectus) and that is owned by any person other than the Corporation;

"**Licenses**" means all licences, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise), including without limitation, those administered by Health Canada or any other Governmental Authority;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

"**Losses**" has the meaning given to that term in Section 11(a) of this Agreement;

"**Marketing Materials**" has the meaning ascribed thereto in NI 41-101 (as defined herein);

"**Material Adverse Effect**" means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects, Intellectual Property or results of operations of the Corporation and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

"**Material Contract**" means any material Debt Instrument, indenture, contract, commitment, agreement (written or oral), instrument, lease, joint operating agreement, option, joint venture agreement or other document, including license agreements and agreements relating to real property or the Intellectual Property, to which the Corporation or any Subsidiaries are a party or by which any one of them are bound;

"**Material Subsidiary**" means any subsidiary of the Corporation which accounts for 10% of the assets of the Corporation on the consolidated audited financial statements for the year ended September 30, 2021;

"**NASDAQ**" means the Nasdaq Capital Market;

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

“**Offered Securities**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offered Share**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offering**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offering Documents**” means, collectively, the Prospectus, the U.S. Placement Memorandum, the Marketing Materials and any Supplementary Material;

“**Offshore Transaction**” means an “offshore transaction” as that term is defined in Regulation S;

“**Passport System**” means the system for review of prospectus filings set out in Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Permitted Liens**” means any of the following that do not adversely affect the present use or value of the property affected thereby: (i) liens for taxes not yet due, (ii) other assessments and governmental charges not yet due, (iii) liens that can be (but have not yet been) filed by builders, mechanics, repairers or similar Persons in respect of services performed or goods provided in the ordinary course of business, (iv) easements, covenants, rights of way and other restrictions that are registered as of the date of this Agreement, and (v) transfer restrictions imposed on securities by applicable Law;

“**Person**” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

“**President’s List**” means a list of Purchaser’s provided by the Corporation for an amount to be agreed upon by the Agent and the Corporation;

“**Prospectus**” means, collectively, the Base Prospectus and the Prospectus Supplement, including the Documents Incorporated by Reference;

“**Prospectus Supplement**” has the meaning ascribed to such term on the second page of this Agreement;

“**Principal Regulator**” means the British Columbia Securities Commission;

“**Public Record**” means all information filed by or on behalf of the Corporation with a securities commission that is accessible to the public on www.sedar.com;

“**Purchasers**” means, collectively, each of the purchasers of the Offered Securities pursuant to the Offering including, if applicable, the Agent;

“**Qualifying Jurisdictions**” means all of the provinces of Canada, other than Quebec;

‘**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;

“**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;

“**Rule 144A**” means Rule 144A adopted by the SEC under the U.S. Securities Act;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Commissions**” means, collectively, the Principal Regulator and the securities regulatory authorities in the Qualifying Jurisdictions;

“**Securities Laws**” means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Jurisdictions and the applicable securities laws of all other jurisdictions other than the Qualifying Jurisdictions in which the Offered Securities are offered for sale, as applicable, and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**Securities Regulators**” means, collectively, the Securities Commissions, the CSE, NASDAQ, SEC and the securities regulators or other securities regulatory authorities in any jurisdictions in which the Offered Securities are offered for sale;

“**Selling Firm**” has the meaning given to the term in Section 2(f);

”**Selling Jurisdictions**” means, collectively, each of the Qualifying Jurisdictions and such states in the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Agent;

“**Shelf Procedures**” has the meaning ascribed to such term on the first page of this Agreement;

“**Standard Listing Conditions**” has the meaning given to the term in Section 4(a)(iv);

“**Subsequent Disclosure Documents**” means any financial statements, management information circulars, annual information forms, material change reports, Marketing Materials, business acquisition reports or other documents issued by the Corporation after the date of this Agreement that are required by Applicable Securities Laws to be incorporated by reference in the Prospectus;

“**Subsidiaries**” means PsilocybinLabs Ltd., Bright Minds Biosciences LLC and Bright Minds Bioscience Pty. Ltd;

“**Supplementary Material**” means, collectively, any amendment to the Prospectus and any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under Applicable Securities Laws relating to the distribution of the Offered Securities and any supplement to the U.S. Placement Memorandum;

“**Taxes**” has the meaning given to the term in Section 6(z);

“**Transaction Documents**” has the meaning given to the term in Section 6(i);

“**United States**” or “**U.S.**” means, as the context requires, the United States of America, its territories and possessions, any State of the United States, and/or the District of Columbia;

“**U.S. Affiliate**” of the Agent means the U.S. registered broker-deal affiliate of the Agent;

“**U.S. Exchange Act**” means the United States Exchange Act of 1934, as amended;

"**U.S. Person**" means a U.S. person as that term is defined in Rule 902(k) of Regulation S;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum delivered together with the Prospectus to offerees and Purchasers of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, including any Supplementary Material thereto;

"**U.S. Securities Act**" means the United States' Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**Warrant**" has the meaning ascribed to such term on the first page of this Agreement;

"**Warrant Agent**" means Computershare Trust Company of Canada;

"**Warrant Indenture**" means the warrant indenture to be entered into on the Closing Date between the Corporation and the Warrant Agent; and

"**Warrant Share**" has the meaning ascribed to such term on the first page of this Agreement.

(b) *Prospectus Defined Terms.* Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

(c) *Divisions and Headings.* The division of this Agreement into Sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections, subsections, paragraphs and other subdivisions are to Sections, subsections, paragraphs and other subdivisions of this Agreement.

(d) *Number and Gender.* All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.

(e) *Currency.* Any reference in this Agreement to $ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified.

(f) *Knowledge.* The phrases "**knowledge of the Corporation**" or "**to the Corporation's knowledge**" or similar expressions, mean the actual knowledge of Ian McDonald, President and Chief Executive Officer, Ryan Cheung, Chief Financial Officer of the Corporation after due inquiry.

2 Filing of Prospectus Supplement; The Offering

(a) The Corporation shall comply with the Shelf Procedures to prepare and file, on the date hereof, the Prospectus Supplement with the Securities Commissions in each of the Qualifying Jurisdictions.

(b) The Corporation shall comply with the Securities Laws with respect to the filing of the template version of any Marketing Materials that have been approved by the

Corporation and the Agent in the manner required under the Securities Laws (with any comparables and all disclosure relating to such comparables being redacted).

(c) Until the distribution of the Units has been completed, the Corporation will use commercially reasonable efforts to promptly take, or cause to be taken, all additional steps and proceedings that are in its power to take or cause to be taken and which may from time to time be required under the Applicable Securities Laws to continue to qualify the distribution of the Units in the Qualifying Jurisdictions and the grant of the Over-Allotment Option to the Agent or, if the Units or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify them.

(d) Prior to the filing of the Prospectus Supplement and any Supplementary Material, the Corporation shall have permitted the Agent to review each of the Prospectus Supplement and such Supplementary Material and shall have allowed the Agent to conduct any due diligence investigations which the Agent reasonably requires in order to fulfil their obligations as an agent under Securities Laws and in order to enable them to responsibly execute the certificate in the Prospectus Supplement and such Supplementary Material required to be executed by it where applicable. Following the filing of the Prospectus Supplement and prior to the completion of the distribution of the Units, the Corporation shall allow the Agent to conduct any due diligence investigations which the Agent reasonably require to confirm as at any date that they continue to have reasonable grounds for the belief that the Prospectus does not contain a misrepresentation as at such date.

(e) The sale of the Offered Securities to the Purchasers shall be effected in a manner that is in compliance with Securities Laws and upon the terms set out in the Prospectus and in this Agreement. The Agent will use best efforts to arrange for Purchasers for the Offered Securities in the Selling Jurisdictions in connection with the Offering.

(f) The Corporation agrees that the Agent shall have the right to invite one or more investment dealers (each, a "**Selling Firm**") to form a selling group to participate in the soliciting of offers to purchase the Offered Securities. The Agent have the exclusive right to control all compensation arrangements between the members of the selling group. The Corporation grants all of the rights and benefits of this Agreement to any Selling Firm so appointed by the Agent and appoints the Agent as trustee of such rights and benefits for such Selling Firms, and the Agent hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firms.

(g) The Agent shall ensure that any Selling Firm appointed pursuant to the provisions of subsection 2(f), if any, shall: (i) be compensated by the Agent from their compensation hereunder; and (ii) agree to comply with the covenants and obligations given by the Agent herein.

(h) The Agent have delivered one copy of the Prospectus (together with any Supplementary Material, if any) to all persons resident in the Selling Jurisdictions who are to acquire the Offered Securities.

(i) The Corporation and the Agent covenant and agree:

   (i) not to provide any potential investor of Offered Securities with any Marketing Materials unless a template version of such Marketing Materials has been filed by the Corporation with the Securities Commissions on or before the day such

Marketing Materials are first provided to any potential investor of Offered Securities;

(ii) not to provide any potential investor with any materials or information in relation to the Offering or the Corporation other than: (A) such Marketing Materials that have been approved and filed in accordance with this Section 2; (B) the Prospectus or any Supplementary Material; and (C) any "standard term sheets", as defined in NI 41-101, approved in writing by the Corporation and the Agent; and

(iii) that any Marketing Materials approved and filed in accordance with this Section 2 and any standard term sheets approved in writing by the Corporation and the Agent shall only be provided to potential investors in the Selling Jurisdictions where the provision of such Marketing Materials or standard term sheets does not contravene Applicable Securities Laws.

(j) The Corporation and the Agent acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, nor may the Warrants or the Compensation Warrants be exercised in the United States or by or on behalf of a U.S. Person, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in the manner specified in this Agreement.

3 Distribution and Certain Obligations of the Agent.

(a) The Agent have complied with and shall, and shall require any Selling Firm to agree to, comply with the Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities upon the terms and conditions set out in the Prospectus and this Agreement. The Agent have and shall, and shall require any Selling Firm to, directly offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale. The Agent shall (i) use best efforts to complete and cause each Selling Form to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Agent and the Selling Firms have ceased distribution of the Offered Securities and provide a breakdown of the number of Offered Securities distributed in each of the Selling Jurisdictions (and any other applicable jurisdiction where the Offered Securities have been distributed) where such breakdown is required for the purpose of calculating fees payable to Securities Regulators.

(b) The Agent shall, and shall require any Selling Firm to agree to, distribute the Offered Securities in a manner which complies with and observes all applicable laws and regulations, including, for greater certainty, all Securities Laws in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Prospectus or any Supplementary Material in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Prospectus or any Supplementary Material to any person in any jurisdiction, subject to Section 3(d) below, other than in the Selling Jurisdictions unless agreed to in accordance with Section 3(a) hereof and completed in a manner which will not require the Corporation to comply with the registration, prospectus,

filing, continuous disclosure or other similar requirements under the applicable Securities Laws of such other jurisdictions or pay any additional governmental filing fees which relate to such other jurisdictions.

(c) For the purposes of this Section 3, the Agent and any Selling Firm shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Jurisdiction where the Decision Document has been obtained or deemed to have been obtained from the Canadian Securities Regulators.

(d) The Agent will offer for sale and sell the Offered Securities in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, through the U.S. Affiliate, as U.S. placement agent, pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act. Any offer for sale or sale of the Offered Securities in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, will be made pursuant to the U.S. Placement Memorandum and in accordance with Schedule "A" to this Agreement.

4 Deliveries of Prospectus and Related Matters

(a) The Corporation shall deliver to the Agent:

(i) a copy of the Prospectus Supplement and the Base Prospectus signed and certified if and as required by Securities Laws, concurrently with the filing of the Prospectus Supplement;

(ii) a copy of any other document filed with, or delivered to, Securities Regulators under applicable Securities Laws in connection with the Offering;

(iii) a "long-form" comfort letter dated the date of the Prospectus Supplement, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent and the directors of the Corporation from the Auditors with respect to financial and accounting information relating to the Corporation contained in the Prospectus, which letter shall be based on a review by the Auditors within a cut-off date of not more than two Business Days prior to the date of the letter and which letter shall be in addition to the Auditors' consent letter and any comfort letter addressed to the Canadian Securities Regulators; and

(iv) prior to filing of the Prospectus Supplement with Canadian Securities Regulators, copies of correspondence indicating that the application for the listing and posting for trading on the CSE and NASDAQ of (i) the Offered Shares; (ii) the Warrant Shares, (iii) the Compensation Unit Shares issuable upon exercise of the Compensation Warrants, and (iv) the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants, has been made, subject only to satisfaction by the Corporation of customary post-closing filings required by the CSE and NASDAQ (the "**Standard Listing Conditions**").

(b) The Corporation has delivered to the Agent signed copies of all Supplementary Material, if any. The Corporation has delivered to the Agent, with respect to such Supplementary Material or Subsequent Disclosure Document, to the extent that such Supplementary Material contains any financial and accounting information, a comfort letter substantially similar to that referred to in subsection 4(a)(iii).

(c) The Corporation confirms that it has or will deliver to the Agent copies of the Prospectus signed and the U.S. Placement Memorandum as required by Applicable Securities Laws.

(d) Each delivery of an Offering Document by the Corporation to the Agent shall constitute the consent of the Corporation to the use by the Agent and the Selling Firms, if any, of such Offering Document in connection with the Offering of the Units and shall constitute the representation and warranty of the Corporation to the Agent that, at the respective times of such delivery:

(i) all information and statements contained therein (except information and statements relating solely to the Agent and provided by the Agent in writing expressly for inclusion therein):

(A) are true and correct in all material respects and contain no misrepresentation; and

(B) constitute full, true and plain disclosure of all material facts relating to the Units and to the Corporation and the Subsidiaries considered as a whole;

(ii) such document does not contain an untrue statement of a material fact or omit to state a material fact (except information and statements relating to the Agent and furnished by the Agent for use in the Offering Document) required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made; and

(iii) such document (except information and statements relating to the Agent and furnished by the Agent for use in the Offering Document) complies in all material respects with Securities Laws at the time filed.

(e) During the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Corporation will promptly provide to the Agent drafts of any press releases of the Corporation for review by the Agent, and each such press release shall comply with Rule 135c or Rule 135e of the U.S. Securities Act.

(f) The Corporation has filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that, prior to the filing of the Prospectus Supplement with Canadian Securities Regulators, the Corporation has obtained all necessary approvals for: (i) the Offered Shares; (ii) the Warrant Shares; (iii) the Compensation Unit Shares issuable upon exercise of the Compensation Warrants; and (iv) the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants, to be conditionally listed on the CSE and NASDAQ, subject only to the Standard Listing Conditions.

5 Material Changes

(a) The Corporation will promptly inform the Agent in writing during the period prior to the completion of the distribution of the Offered Securities of the full particulars of:

(i) any material change (actual, anticipated, threatened, contemplated, or proposed by, to, or against) in the condition (financial or otherwise), assets, liabilities (contingent or otherwise), business, affairs, operations, properties, capital or prospects of the Corporation and the Subsidiaries, taken as a whole;

(ii) any material fact that has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be;

(iii) any legislative, regulatory or administrative policy or guideline changes which, if implemented could have a material effect upon the Corporation's operations or the manner in which the Corporation carries on business; and

(iv) any change in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the existence of any new material fact, in each case which is of a nature as to render any of the Offering Documents misleading or untrue in any material respect or would result in a misrepresentation therein.

(b) The Corporation shall comply with the prospectus amendment requirements of Section 6.6 of NI 41-101 and Section 57 of the *Securities Act* (Ontario), and the Corporation will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Offered Securities for distribution in each of the Qualifying Jurisdictions.

(c) In addition to the provisions of subsections 5(a) and 5(b) hereof, the Corporation shall in good faith discuss with the Agent any change, event or fact contemplated in subsections 5(a) and 5(b) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under subsection 5(a) hereof and shall consult with the Agent with respect to the form and content of any Supplementary Material proposed to be filed by the Corporation, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Regulator prior to the review thereof by the Agent.

(d) If during the period of distribution of the Offered Securities there shall be any change in applicable Securities Laws which, in the opinion of the Agent, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agent, the Corporation shall, to the satisfaction of the Agent, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Securities Regulators where such filing is required.

6 Representations and Warranties of the Corporation

The Corporation represents and warrants to the Agent and the Purchasers, and acknowledges that they are relying upon such representations and warranties and covenants in purchasing the Offered Securities, as follows:

(a) each of the Corporation and the Subsidiaries has been duly incorporated and organized and is validly existing as a corporation under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and no steps or

proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or the Subsidiaries;

(b) each of the Corporation and the Subsidiaries are duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification (except for such jurisdictions where the failure to be so qualified would not result in a Material Adverse Effect) and has all requisite corporate power and authority to conduct its business and to own, lease and operate its properties and assets and to execute, deliver and perform its obligations under this Agreement, the Warrant Indenture, the Compensation Warrant Certificates and any other document, filing, instrument or agreement delivered in connection with the Offering;

(c) neither the Corporation nor the Subsidiaries are (i) in violation of its constating documents or (ii) to the knowledge of the Corporation, in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that would not result in a Material Adverse Effect;

(d) the Corporation has no Material Subsidiaries, and it has no direct or indirect subsidiaries other than the Subsidiaries, nor any investment in any person which, for the year ended September 30, 2021 or which, for the financial year ended September 30, 2022, is expected to account for, more than five percent of the consolidated assets or consolidated revenues of the Corporation or would otherwise be material to the business and affairs of the Corporation on a consolidated basis. The Corporation owns, directly or indirectly, all of the issued and outstanding shares of the Subsidiaries, all of the issued and outstanding shares of the Subsidiaries are issued as fully paid and non-assessable shares, free and clear of all Liens whatsoever, and no person, firm or corporation has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or the Subsidiaries of any interest in any of the shares in the capital of the Subsidiaries;

(e) the Corporation and the Subsidiaries (i) each conducted and have each been conducting their business in compliance in all material respects with all applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws, (ii) are not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or the Subsidiaries, as applicable, and (iii) hold all, and are not in breach of any, Licenses that enable its business to be carried on as now conducted, and all such Licenses are valid and subsisting and in good standing, except in each case where the failure to be in such compliance or to hold such Licenses could not reasonably be expected to result in a Material Adverse Effect;

(f) each of the Corporation and each Subsidiaries are the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Offering Documents, and no other material property or assets are necessary for the conduct of the business of the Corporation or the Subsidiaries as currently conducted, (B) the Corporation does not know of any claim or the basis for

any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such property or assets, and (C) other than in the ordinary course of business and as disclosed in the Offering Documents, neither the Corporation nor the Subsidiaries have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

(g) the authorized and issued share capital of the Corporation conforms to the description thereof contained in the Offering Documents. All of the issued and outstanding Common Shares have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding shares of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;

(h) all Material Contracts to which the Corporation and the Subsidiaries, are a party are in good standing and in full force and effect and no material default or breach exists in respect of any of them on the part of any of the parties to them and, to the knowledge of the Corporation, no event has occurred which, after the giving of notice or the lapse of time or both would constitute such a default or breach and which would have a Material Adverse Effect; the foregoing includes all the presently outstanding Material Contracts entered into by the Corporation and the Subsidiaries in the course of carrying out their operations and all operations related thereto;

(i) at the Closing Time, all necessary corporate action will have been taken by the Corporation to: (i) authorize the execution, delivery and performance of this Agreement, the Warrant Indenture and the Compensation Warrant Certificates (the "**Transaction Documents**"); (ii) grant the Over-Allotment Option, and (iii) validly create, issue and sell the Units and the Compensation Warrants and the Warrant Shares issuable upon exercise of the Warrants and the Compensation Warrant Shares issuable on exercise of the Compensation Warrants, as applicable;

(j) the terms and the number of options to purchase Common Shares granted by the Corporation currently outstanding conforms to the description thereof contained in the Offering Documents and, other than as contemplated by this Agreement, and (i) options granted to directors, officers, employees and consultants of the Corporation to purchase Common Shares, and (ii) common share purchase warrants, in each case as described in the Offering Documents, no person, firm or corporation has any agreement or option, right or privilege (contractual or otherwise) capable of becoming an agreement (including convertible or exchangeable securities and warrants) for the purchase or acquisition from the Corporation or any Subsidiaries of any interest in any Common Shares or other securities of the Corporation or any Subsidiaries whether issued or unissued;

(k) there are no contracts or agreements between either the Corporation or a Subsidiaries and any person granting such person the right to require the Corporation or the Subsidiaries to file a registration statement under U.S. Securities Laws or, except as contemplated by this Agreement, a prospectus under Applicable Securities Laws, with respect to any securities of the Corporation or any Subsidiaries owned or to be owned by such person that require the Corporation or a Subsidiaries to include such securities in the securities qualified for distribution under the Offering Documents;

(l) except as described in the Offering Documents, there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal

agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag-along agreements or proxies relating to any of the securities of the Corporation or the Subsidiaries, to which the Corporation or the Subsidiaries is a party;

(m) the Common Shares to be issued as described in this Agreement and in the Offering Documents (including, for greater certainty, the Warrant Shares , the Compensation Unit Shares and the Compensation Warrant Shares) have been, or prior to the Closing Time will be, duly created and reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid shares in the capital of the Corporation, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(n) at the Closing Time the Corporation shall have taken all necessary corporate action to allot and authorize the issuance of the Offered Shares, the Warrants and the Compensation Warrants and, upon the due exercise of the Warrants, the Warrant Shares, and upon due exercise of the Compensation Warrants, the Compensation Unit Shares and Compensation Unit Warrants, and upon due exercise of the Compensation Unit Warrants, the Compensation Warrant Shares, all in accordance with their respective provisions thereof, and such shares will be validly issued as fully paid and non-assessable Common Shares;

(o) each of the Transaction Documents has been, or at the Closing Time will be, duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable Laws;

(p) no authorization, approval, consent, licence, permit, order or filing of, or with, any Government Authority or court, domestic or foreign, (other than those which have already been obtained or will be obtained prior to the Closing Date and except for post-closing filings to be made with the CSE and post-closing distribution reports to be filed and other post-closing filings to be made with certain securities regulatory authorities) is required for the valid sale and delivery of the Units or for the execution and delivery or performance of the Transaction Documents by the Corporation;

(q) each of the execution and delivery of the Transaction Documents, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Units hereunder by the Corporation, the granting of the Over-Allotment Option by the Corporation and the consummation of the transactions contemplated in this Agreement, (i) do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule, regulation or Law applicable to the Corporation or the Subsidiaries; (B) the notice of articles, articles, constating documents or resolutions of the directors or shareholders of the Corporation or the Subsidiaries; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or the Subsidiaries are a party or by which it is bound; or (D) any judgment, decree or order binding the

Corporation or the Subsidiaries or the property or assets thereof, except where such conflict, breach, violation or default would not result in a Material Adverse Effect; and (ii) do not affect the rights, duties and obligations of any parties to any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or the Subsidiaries are a party or by which it is bound (including, for greater certainty, any such agreements relating to the Investments), nor give a party the right to terminate any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or the Subsidiaries are a party or by which it is bound, by virtue of the application of terms, provisions or conditions therein, except where those rights, duties or obligations, or rights to terminate, are affected in a manner that would not result in a Material Adverse Effect;

(r) the Corporation is in compliance in all respects with its timely and continuous disclosure obligations under the securities laws of the Qualifying Jurisdictions and the policies, rules and regulations of the CSE and NASDAQ;

(s) the Financial Statements have been prepared in accordance with international financial reporting standards and present fully, fairly and correctly in all material respects, the financial condition of the Corporation and its Subsidiaries as at the dates thereof and the results of the operations and the changes in the financial position of the Corporation for the periods then ended, on a basis consistent throughout the periods indicated and in accordance with the books and records of the Corporation;

(t) the Financial Statements (i) comply with the requirements of Applicable Securities Laws, (ii) are, in all material respects, consistent with the books and records of the Corporation, (iii) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial condition of the business of the Corporation for the periods covered thereby, (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation, and (v) do not omit to state any material fact that is required by generally accepted accounting principles or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading, and there has been no material change in accounting policies or practices of the Corporation since September 30, 2021, except as has been disclosed in the Prospectus. There are no "non-GAAP financial measures" (as such term is defined by Applicable Securities Laws) contained in or incorporated by reference into the Prospectus;

(u) to the knowledge of the Corporation, the Auditors are independent public accountants as required under the Applicable Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation;

(v) subject to the exemption included in Part 6 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), the responsibilities and composition of the Corporation's audit committee comply with NI 52-110;

(w) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in all material respects in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with

international financial reporting standards and to maintain accountability for assets; and (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(x) the Corporation maintains disclosure controls and procedures and internal control over financial reporting as those terms are defined in National Instrument 52-109 *Certification of Disclosure of Issuer's Annual and Interim Filings* and as at September 30, 2021, such controls were effective. Except as disclosed in the Offering Documents since the end of the Corporation's most recent audited fiscal year, the Corporation is not aware of any material weakness in the Corporation's internal control over financial reporting (whether or not remediated) or in the Corporation's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Corporation's internal control over financial reporting;

(y) except as disclosed in the Offering Documents, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares on a fully-diluted basis or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation on a consolidated basis;

(z) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation and its Subsidiaries have been paid, except where the failure to pay Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and its Subsidiaries have been filed with all appropriate authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or its Subsidiaries, except where such examinations, issues or disputes would not have a Material Adverse Effect;

(aa) the statistical, industry and market related data included in the Offering Documents are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;

(bb) since the respective dates as of which information is given in the Offering Documents, except as otherwise stated therein or contemplated thereby, there has not been: (i) any material change in the condition (financial or otherwise), or in the earnings, business, affairs, capital, prospects, operations or management of the Corporation or the

Subsidiaries, whether or not arising in the ordinary course of business from that set forth therein; (ii) any transaction entered into by the Corporation or the Subsidiaries, other than in the ordinary course of business, that is material to the Corporation; or (iii) any dividend or distribution of any kind declared, paid or made by the Corporation or the Subsidiaries on shares in the capital of the Corporation or any of the Subsidiaries, as applicable;

(cc) no material labour dispute with current and former employees of the Corporation or its Subsidiaries exists, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation or the Subsidiaries that would have a Material Adverse Effect;

(dd) no union has been accredited or otherwise designated to represent any employees of the Corporation or its Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or its Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or its Subsidiaries and none is currently being negotiated by the Corporation or its Subsidiaries;

(ee) other than usual and customary health and related benefit plans for employees, the Prospectus discloses to the extent required by the Applicable Securities Laws to be disclosed in the Prospectus each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or its Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Corporation or any subsidiary, as applicable (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

(ff) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments of the Corporation and its Subsidiaries have been recorded in accordance with generally accepted accounting principles in Canada or international financial reporting standards, as applicable, and are reflected on the books and records of the Corporation;

(gg) other than as disclosed in the Offering Documents, neither the Corporation nor its Subsidiaries has made any loans to or guaranteed the obligations of any person;

(hh) all of the material contracts and agreements of the Corporation (including, for greater certainty, any contracts and agreements relating to the Intellectual Property) have been disclosed in the Offering Documents and, if required under the Applicable Securities Laws, have or will be filed with the Securities Commissions. Neither the Corporation nor its Subsidiaries has received any notification from any party that it intends to terminate any such material contract;

(ii) each of the material agreements and other documents and instruments pursuant to which the Corporation or the Subsidiaries holds its Intellectual Property, property and assets and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof, the Corporation is not in default of any of the material provisions of any such agreements, instruments or documents nor has any such default been alleged;

(jj) there is no action, suit, proceeding, inquiry or investigation before or brought by any court or Governmental Authority, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any subsidiary which is required to be disclosed in the Offering Documents, and which if not so disclosed, or which if determined adversely, would have a Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Corporation or any subsidiary is a party or of which any of their respective property or assets is subject, which are not described in the Offering Documents include only ordinary routine litigation incidental to the business, properties and assets of the Corporation and the Subsidiaries and would not reasonably be expected to result in a Material Adverse Effect;

(kk) the minute books and records of the Corporation and the Subsidiaries made available to counsel for the Agent in connection with its due diligence investigation of the Corporation are all of the minute books and records of the Corporation and each Subsidiaries and contain copies of all significant proceedings of the shareholders and the boards of directors of the Corporation and the Subsidiaries and there have not been any other formal meetings, resolutions or proceedings of the shareholders or boards of directors of the Corporation or the Subsidiaries not reflected in such minute books and other records, other than those concerning the Offering or which have been disclosed in writing to the Agent or at or in respect of which no material corporate matter or business was approved or transacted;

(ll) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;

(mm) the Corporation is a reporting issuer in good standing in each of the Qualifying Jurisdictions under Applicable Securities Laws;

(nn) the Corporation is qualified under NI 44-102 to file a prospectus supplement in each of the Qualifying Jurisdictions and on the date of and upon filing of the Prospectus there will be no documents required to be filed under Applicable Securities Laws in connection with the distribution of the Units that will not have been filed as required;

(oo) the Corporation is in compliance in all material respects with its continuous and timely disclosure obligations under Applicable Securities Laws and the rules and regulations of the CSE and has filed all documents required to be filed by it with the Securities Commissions in the Qualifying Jurisdictions and under the Applicable Securities Laws, and no document has been filed on a confidential basis with the Securities Commissions that remains confidential at the date hereof. None of the documents filed

in accordance with applicable Canadian Securities Laws contained, as at the date of filing thereof, a misrepresentation;

(pp) no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Units in any Qualifying Jurisdiction nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;

(qq) no forward-looking information (within the meaning of Applicable Securities Laws) included or incorporated by reference in the Prospectus has been made or reaffirmed by the Corporation without a reasonable basis in terms of the data and assumptions used, or has been disclosed other than in good faith;

(rr) the directors and "named executive officers" (as defined under NI 51-102) of the Corporation and the Subsidiaries and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, are as disclosed in the Offering Documents;

(ss) the Corporation has not completed any "significant acquisition" nor has it entered into a binding agreement in respect of any "probable acquisition" (as such terms are defined in NI 51-102) and no proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high such that Canadian Securities Laws would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a Business Acquisition Report pursuant to Applicable Canadian Securities Laws;

(tt) neither the Corporation nor the Subsidiaries own any real property;

(uu) neither the Corporation nor the Subsidiaries leases premises for the Corporation or the Subsidiaries which are material to the Corporation and the Subsidiaries on a consolidated basis and which the Corporation or the Subsidiaries occupies as tenant;

(vv) each of the Corporation and the Subsidiaries are currently in compliance with any and all applicable Laws or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety; and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any environmental laws, except where any non-compliance with any such provisions could not reasonably be expected to have a Material Adverse Effect. The facilities and operations of the Corporation and the Subsidiaries are currently being conducted, and to the knowledge of the Corporation have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies;

(ww) except as mandated by an applicable regulatory or Governmental Authority, which mandates have not materially affected the Corporation, as at the date hereof, and except as disclosed in the Prospectus, there has been no material effect on the operations of

the Corporation or the Subsidiaries as a result of the novel coronavirus disease (COVID-19) outbreak (the "**COVID-19 Outbreak**"). The Corporation has been monitoring the COVID-19 Outbreak and the potential impact at all of its operations, and management believes it has implemented appropriate measures to support the wellness of its employees where the Corporation and the Subsidiaries operate while continuing to operate;

(xx) the Corporation and/or the Subsidiaries are the exclusive owners of and possess all right, title and interest in and to all Corporation IP, or have an exclusive license or right to use, and sub-license the Licensed IP as disclosed in the Offering Documents, such Intellectual Property being used by the Corporation or the Subsidiaries in connection with their businesses and operations, with good and marketable title or valid licenses thereto, free and clear of all Liens and subject to the terms and conditions of the licenses;

(yy) the Corporation and the Subsidiaries have taken commercially reasonable steps to maintain, and have not taken any steps that could constitute abandonment of, the Corporation IP, including paying all necessary fees and filing all appropriate registrations, affidavits and renewals with the appropriate Governmental Authorities;

(zz) the Corporation and the Subsidiaries, as applicable, have entered into valid and enforceable written agreements pursuant to which the Corporation and the Subsidiaries, as applicable, have been granted all licenses and permissions to use, reproduce, sub-license, modify, update, enhance or otherwise exploit any Licensed IP to the extent required in the business of the Corporation and the Subsidiaries;

(aaa) all of the Corporation IP owned by the Corporation or the Subsidiaries was created by employees in the course of their employment or by contractors who have transferred and assigned all of their rights in and to such Corporation IP to the Corporation or the Subsidiaries pursuant to written assignment agreements and have waived their moral rights in and to such Intellectual Property;

(bbb) except for such licenses, sublicenses and other agreements relating to off-the-shelf software, which is commercially available on a retail basis, each of the Corporation and the Subsidiaries has performed all obligations imposed upon it pursuant to all licenses, sublicenses, distributor agreements, and other agreements under which the Corporation or the Subsidiaries is either a licensor, licensee or distributor, relating to the Corporation IP or the Licensed IP, all of which are, to the knowledge of the Corporation, valid, enforceable and in full force and effect and which contain terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Intellectual Property, and neither the Corporation nor its Subsidiaries, nor to the knowledge of the Corporation any other party thereto, is in breach of or default thereunder in any material respect, nor is there any event which with notice or lapse of time or both would constitute a material default thereunder;

(ccc) to the knowledge of the Corporation, the business operations, or the products or services owned, used, developed, sold, provided, imported, made or licensed by the Corporation or the Subsidiaries, does not infringe upon or otherwise violate any Intellectual Property rights of others;

(ddd) except as disclosed in the Offering Documents, none of the Corporation IP or the Licensed IP is subject to any outstanding order, and no claims are pending or, to the

knowledge of the Corporation, threatened, which: (i) challenge the validity, enforceability, use, ownership or right in or to any such Intellectual Property, (ii) allege that the operation of the Corporation or the Subsidiaries' business infringes or otherwise violates any Intellectual Property right or other proprietary rights(s) of a third party, and the Corporation has no knowledge of any facts which would form a valid basis for any such claim; or (iii) contest the right of the Corporation or the Subsidiaries to sell, license or use any material products or services of the Corporation or the Subsidiaries;

(eee) to the knowledge of the Corporation, no person is infringing upon or otherwise violating the Corporation IP or the Licensed IP and neither the Corporation nor its Subsidiaries have brought or threatened any action, suit or proceeding for unauthorized use, disclosure, infringement or misappropriation of such Intellectual Property or breach of any license or agreement involving such Intellectual Property against any third party;

(fff) each of the Corporation and the Subsidiaries has taken commercially reasonable actions to maintain and protect each item of the Corporation IP, including taking commercially reasonable actions and precautions to protect the secrecy, confidentiality and value of its trade secrets and the proprietary and confidential nature and value of its Intellectual Property;

(ggg) all forms of testing and investigation that have been sponsored by or otherwise been conducted by, on behalf of, or for the benefit of the Corporation or any Subsidiaries in furtherance of product development and improvement have been and, to the extent pending, are being conducted in accordance in all material respects with all applicable Laws (including, without limitation, those administered by Health Canada, the Food and Drug Administration of the U.S. Department of Health and Human Services (the "**FDA**") or by any supranational, foreign, federal, state, provincial, or local governmental or regulatory authority performing functions similar to those performed by Health Canada and/or the FDA), and neither the Corporation nor the Subsidiaries has received any notices or other correspondence questioning the material compliance or acceptability of any such testing in any material respect to support regulatory filings. To the knowledge of the Corporation, to the extent any studies or clinical trials cited in the Offering Documents are not captured by the preceding sentence, such studies or clinical trials were and are also being conducted in accordance in all material respects with all Laws. All statements regarding or reference to studies, clinical evidence, and testing, performance or other product data (regardless of the source or sponsor) that are included in the Offering Documents are accurate and complete in all material respects and fairly and accurately present the subject information, and each of the Corporation and the Subsidiaries has no knowledge of other data which are materially inconsistent with or otherwise call into question in any material respect such information described or referred to in the Prospectus;

(hhh) except as would not be reasonably expected to result in a Material Adverse Effect, neither the Corporation nor its Subsidiaries has failed to file with the applicable regulatory authorities (excluding Health Canada, the FDA or any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by Health Canada and/or the FDA) any filing, declaration, listing, registration, report or submission that is required to be so filed. Except as would not be reasonably expected to result in a Material Adverse Effect, neither the Corporation nor the Subsidiaries has failed to file with Health Canada, the FDA or any foreign,

federal, state or local Governmental Authority performing functions similar to those performed by Health Canada and/or the FDA, any filing, declaration, listing, registration, report or submission that is required to be so filed. All such filings were in material compliance with applicable Laws when filed and no deficiencies have been asserted by any applicable Governmental Authority (including, without limitation, Health Canada, the FDA or any foreign, federal, state or local Governmental Authority performing functions similar to those performed by Health Canada and/or the FDA) with respect to any such filings, declarations, listings, registrations, reports or submissions;

(iii) the Corporation and the Subsidiaries are and at all times have been, in compliance with all Health Care Laws to the extent applicable to the Corporation, the Subsidiaries, and it's or their products, operations, and activities, and have not engaged in activities which are, as applicable, cause for false claims liability, civil penalties, criminal conviction, or mandatory or permissive exclusion from any federal, state or provincial health care program, other than any instances of non-compliance or activities that would not reasonably be expected to result in a Material Adverse Effect. Neither the Corporation nor the Subsidiaries have received notice of any claim, action, suit, audit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court, arbitrator, or any other Governmental Authority, or third party alleging or asserting any liability under, any non-compliance with, or that any product, operation or activity is in violation of any Health Care Laws, and, to the knowledge of the Corporation, no such claim, action, suit, audit, proceeding, hearing, enforcement, investigation, arbitration or other action is threatened. To the knowledge of the Corporation, there are no facts or circumstances that would reasonably be expected to give rise to liability of the Corporation under Health Care Laws;

(jjj) the Corporation and the Subsidiaries have filed, obtained, maintained, and submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Health Care Law or any Permit ("**Filings**") in all material respects, and all such Filings were complete and correct in all material respects and not misleading in any material respect on the date filed (or were corrected or supplemented by a subsequent Filing). Neither the Corporation nor its Subsidiaries have offered, paid, solicited or received any remuneration, discount, or rebate, to or from any Person except in compliance in all respects with all Health Care Laws, other than any instance of non-compliance as would not reasonably be expected to result in a Material Adverse Effect;

(kkk) neither the Corporation nor the Subsidiaries has filed an investigational new drug application ("**IND**") with the FDA, and neither the Corporation nor the Subsidiaries is required to submit information to the FDA, including but not limited to any information relating to an IND of the Corporation or the Subsidiaries;

(lll) all testing, product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation or the Subsidiaries in connection with their Business is being conducted in compliance, in all respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed Business and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all respects;

(mmm) the currently outstanding Common Shares are listed and posted for trading on the CSE and NASDAQ and all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations obtained by, the Corporation from the CSE and NASDAQ to ensure that (i) the Offered Shares; (ii) the Warrant Shares issuable upon exercise of the Warrants; (iii) the Compensation Unit Shares issuable upon exercise of the Compensation Warrants and (iv) the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants, will be listed and posted for trading on the CSE and NASDAQ upon their issuance, subject only to the Standard Listing Conditions;

(nnn) the Corporation has not withheld, and will not withhold from the Agent prior to the Closing Time, any material facts relating to the Corporation, the Subsidiaries or the Offering;

(ooo) Computershare Investor Services Inc. is the duly appointed registrar and transfer agent of the Corporation with respect to the Common Shares and Computershare Trust Company of Canada is the warrant agent in respect of the Warrants;

(ppp) other than the term sheet filed by the Corporation on SEDAR on August 25, 2022, the Corporation has not and will not provide to prospective purchasers any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws. The Corporation has and will not engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including but not limited to, causing the sale of the Offered Securities to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Securities whose attendees have been invited by general solicitation or advertising;

(qqq) other than the Agent and H.C. Wainwright & Co. LLC, the Corporation's U.S. capital markets advisor, there is no person, firm or company acting or purporting to act at the request of the Corporation who is entitled to any finder's fee in connection with the transactions contemplated herein and in the event that any person, firm or company acting for the Corporation at the request of the Corporation establishes a claim for any fee from the Agent, except as identified in writing to the Corporation and the Agent prior to Closing, the Corporation covenants to indemnify and hold harmless the Agent with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(rrr) the Corporation has provided the Agent with all information requested by the Agent in connection with the sale of the Offered Securities and such information is true and correct in all material respects and no material fact or material facts have been omitted therefrom which would make such information misleading. There is no material fact known to the Corporation that has not been disclosed herein, or to the Agent, or in any other agreement, document or written instrument furnished by the Corporation to the Agent in connection with the transactions contemplated hereby and thereby and which has resulted in or would reasonably be expected to result in a Material Adverse Effect;

(sss) the statements set forth in the Prospectus under the headings "Eligibility for Investment" and "Certain Material Canadian Federal Income Tax Considerations" are accurate, subject to the limitations and qualifications set out therein;

(ttt) all information which has been prepared by the Corporation relating to the Corporation and its business, properties and liabilities and made available to the Agent, including all financial, marketing, sales and operational information provided to the Agent was, as of the date of such information, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading and did not contain a misrepresentation; and

(uuu) as of the date of the delivery of an Offering Document by the Corporation:

(i) the information and statements (except information and statements relating to the Agent and provided in writing by the Agent for inclusion therein) contained or incorporated by reference in any of the Offering Documents, as the case may be, are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Securities;

(ii) no material fact or information has been omitted therefrom (except for facts or information relating to the Agent) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances in which they were made;

(iii) except with respect to any information relating solely to the Agent and provided by the Agent for inclusion therein, the Offering Documents comply in all material respects with the requirements of Applicable Securities Laws; and

(iv) except as set forth or contemplated in the Offering Documents, there has been no adverse material change (actual, anticipated, contemplated, proposed or threatened) in the business, affairs, prospects, operations, properties, assets, liabilities (contingent or otherwise) or capital of the Corporation since the end of the period covered by the Financial Statements;

(vvv) the delivery of each Offering Document by the Corporation shall constitute the Corporation's consent to the Agent's use of the Offering Documents in connection with the distribution of the Offered Securities in the Selling Jurisdictions in compliance with this Agreement unless otherwise advised in writing;

(www) none of the Corporation or any of its affiliates or any persons acting on any of their behalf has offered or sold, or will offer or sell, (i) any of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, except for offers and sales made directly by the Corporation in full compliance and reliance on the exemption from registration under the U.S. Securities Act provided by Section 4(a)(2) and/or Rule 506(b) of Regulation D; or (ii) any of the Offered Securities outside the United States, except for offers and sale made in Offshore Transactions in accordance with Rule 903 of Regulation S; and

(xxx) the offering of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States by the Corporation is not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder

Notwithstanding any contrary provision in this Agreement including any schedule hereto, no investigation or opportunity afforded to the Agent or its advisors to conduct due diligence shall in any way affect, or limit liability for, any representation, warranty or covenant of the Corporation contained in this Agreement and the Agent will be deemed to have relied solely upon the representations, warranties and covenants contained in this Agreement, notwithstanding any contrary information that may have been provided or made available to the Agent or any of the Agent's representatives or that the Agent discovered in the course of any such investigation either prior to or subsequent to the date of this Agreement.

7 Covenants of the Corporation

The Corporation hereby covenants to the Agent that the Corporation:

(a) will advise the Agent, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the issuance by any Canadian Securities Regulators of any order suspending or preventing the use of any of the Offering Documents;

(ii) the suspension of the qualification of the Offered Securities and the Compensation Warrants in any of the Qualifying Jurisdictions or the institution, threatening or contemplation of any proceeding for any such purposes; or

(iii) any requests made by any Canadian Securities Regulators for amending or supplementing the Prospectus or for additional information, and will use its best efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(b) will use commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws in the Qualifying Jurisdictions for a period of 24 months following the Closing Date, provided that the foregoing requirement shall not prevent the Corporation from completing a sale of all or substantially all of its assets or any transaction which would result in the Corporation ceasing to be a "reporting issuer" pursuant to a take-over bid or other transaction that requires a vote by shareholders of the Corporation;

(c) will use its commercially reasonable efforts to maintain the listing of (i) the Offered Shares; (ii) the Warrant Shares issuable upon exercise of the Warrants; (iii) the Compensation Unit Shares issuable upon exercise of the Compensation Warrants; (iv) the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants, on the CSE or another recognized stock exchange or quotation system for a period of at least 24 months following the Closing Date, provided that the foregoing requirement shall not prevent the Corporation from completing a sale of all or substantially all of its assets or any transaction which would result in the Corporation ceasing to be a "reporting issuer" pursuant to a take-over bid or other transaction that requires a vote by shareholders of the Corporation;

(d) will duly execute and deliver the Warrant Indenture and the Compensation Warrant Certificate at the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;

(e) will ensure that, at the Closing Time, the Offered Shares shall be duly issued as fully paid and non-assessable Common Shares on payment of the purchase price therefor;

(f) will ensure that, at the Closing Time, the Warrants and the Compensation Warrants shall be duly and validly created and issued and shall have attributes corresponding in all material respects to the description set forth in this Agreement, the Compensation Warrants Certificates and the Warrant Indenture, as applicable;

(g) will ensure that at all times following the grant of the Compensation Warrants and prior to the expiry of the Compensation Warrants, a sufficient number of Compensation Unit Shares and Compensation Unit Warrants are allotted and reserved for issuance upon the due exercise of the Compensation Warrants in accordance with their terms;

(h) will ensure that at all times following the grant of the Compensation Warrants and prior to the expiry of the Compensation Unit Warrants, a sufficient number of Compensation Warrant Shares are allotted and reserved for issuance upon the due exercise of the Compensation Unit Warrants in accordance with their terms;

(i) will ensure that at all times following the grant of the Warrants and prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;

(j) will ensure that, upon due exercise of the Compensation Warrants in accordance with their terms, the Compensation Unit Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(k) will ensure that, upon due exercise of the Compensation Unit Warrants in accordance with their terms, the Compensation Warrant Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(l) will ensure that, upon due exercise of the Warrants in accordance with their terms, the Warrant Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(m) will ensure ensure that the Offered Shares, the Warrant Shares, the Compensation Unit Shares and the Compensation Warrant Shares, are listed and posted for trading on the CSE and NASDAQ upon their respective dates of issuance;

(i) use its commercially reasonable efforts to maintain the Warrant Agent or a substituted warrant agent in respect of the Warrants issued to the Purchasers until the exercise or expiry of all of such Warrants;

(n) will use the net proceeds of the Offering in the manner specified in the Prospectus Supplement, subject to the qualifications contained therein;

(o) for the period of 90 days following the Closing Date (the "**Standstill Period**"), not to, without the prior written consent of Eight, issue, agree to issue or announce any

intention to issue, any additional debt, Common Shares or any securities convertible into or exchangeable for shares of the Corporation, except in respect of: (i) the grant of stock options and other similar issuances pursuant to the stock option plans, other employee incentive plans of the Corporation or any other employee incentive arrangements for directors, officers, employees and consultants; (ii) issuances in connection with the exchange, transfer, conversion or exercise rights of existing outstanding options, warrants, convertible debentures and other securities or existing commitments to issue securities; (iii) the issuance of securities as consideration pursuant to one or more arm's length acquisition(s); and (iv) the filing a base shelf prospectus provided that the Corporation does not qualify the issuance of any Common Shares or any securities convertible into or exchangeable for shares of the Corporation thereunder during the Standstill Period;

(p) use its best efforts to cause each of the senior officers and directors to enter into a lock-up agreement in favour of the Agent pursuant to which he, she or it shall covenant and agree that he, she or it will not, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, provided that such lock-up agreement shall be subject to customary and reasonable carve-outs, exceptions and exclusions; and

(q) promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, such further acts, documents and things for the purpose of giving effect to this Agreement and the transactions contemplated herein.

8 Conditions of Closing

The following are conditions precedent to the obligations of the Agent to complete the Closing and of the Purchasers to purchase the Offered Securities at the Closing Time, which conditions the Corporation covenants and agrees to use its best efforts to fulfil within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agent:

(a) the Corporation shall have caused its counsel, McMillan LLP, to deliver to the Agent legal opinions dated and delivered on the Closing Date, as applicable, addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent acting reasonably, with respect to the following matters:

(i) the Corporation being a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and not in default under Applicable Securities Laws in the Qualifying Jurisdictions;

(ii) the Corporation being a corporation existing under the laws of the *Business Corporations Act* (British Columbia);

(iii) the Corporation having the corporate power and capacity to own and lease its property and assets and to conduct its Business as described in the Prospectus;

(iv) the authorized and issued share capital of the Corporation;

(v) the Corporation having all necessary corporate power and capacity to execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder, including to grant the Over-Allotment Option, to create, issue and sell the Offered Securities, the Compensation Warrants, to issue the Warrant Shares issuable upon the exercise of the Warrants, to issue the Compensation Unit Shares and Compensation Unit Warrants issuable upon the exercise of the Compensation Warrants and to issue the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants;

(vi) the Corporation has the necessary corporate power and authority to sign and deliver the Prospectus and all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of each of the Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions and the delivery of the U.S. Placement Memorandum;

(vii) the Offered Shares having been duly and validly authorized for issuance and that, at the Closing Time and upon payment of the purchase price therefor and the issuance thereof, the Offered Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(viii) the form and terms of the Compensation Warrant Certificates having been approved by the board of directors of the Corporation and complying in all material respects with the requirements of the *Business Corporations Act* (British Columbia);

(ix) the Warrants and the Compensation Warrants have been validly authorized, issued and created;

(x) the Warrant Shares issuable upon exercise of the Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Warrant Indenture, being validly issued as fully paid and non-assessable Common Shares;

(xi) the Compensation Unit Shares issuable upon exercise of the Compensation Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Compensation Warrant Certificates, being validly issued as fully paid and non-assessable Common Shares;

(xii) the Compensation Unit Warrants issuable upon exercise of the Compensation Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Compensation Warrant Certificates, being validly issued;

(xiii) the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Compensation Unit Warrant certificates, being validly issued as fully paid and non-assessable Common Shares;

(xiv) all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the performance of its obligations hereunder and thereunder, including the grant of the Over-Allotment Option, the issuance and sale of the Offered Securities, and the Compensation Warrants, the issuance of the Warrant Shares upon exercise of the Warrants, and the issuance of the Compensation Unit Shares and Compensation Unit Warrants upon exercise of the Compensation Warrants, the issuance of the Compensation Warrant Shares upon exercise of the Compensation Unit Warrants, and the Transaction Documents having been executed and delivered by the Corporation and constituting legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, subject to standard qualifications, including that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions thereof relating to indemnity, contribution and waiver of contribution may be unenforceable;

(xv) the execution and delivery of the Transaction Documents, the fulfilment of the terms hereof and thereof by the Corporation, including the grant of the Over-Allotment Option, the issuance and sale of the Offered Securities and the Compensation Warrants, the issuance of the Warrant Shares upon exercise of the Warrants, the issuance of the Compensation Unit Shares and Compensation Unit Warrants upon exercise of the Compensation Warrants, and the issuance of the Compensation Warrant Shares upon exercise of the Compensation Unit Warrants, do not and will not (as the case may be) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both: (i) the constating documents and by-laws of the Corporation; or (iii) the Applicable Laws of the Province of British Columbia and federal laws applicable therein;

(xvi) all necessary documents having been filed, all requisite proceedings having been taken and all approvals, permits, authorizations and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions having been obtained by the Corporation to qualify the distribution of the Offered Securities through persons who are registered under Applicable Securities Laws and who have complied with the relevant provisions of Applicable Securities Laws;

(xvii) that the statements set forth in the Prospectus under the caption "Eligibility for Investment" and "Certain Material Canadian Federal Income Tax Considerations" in the Prospectus Supplement are accurate, subject to the limitations and qualifications set out therein;

(xviii) the attributes of the Offered Securities are consistent, in all material respects, with the descriptions in the Prospectus;

(xix) all necessary documents have been filed, all proceedings have been taken and all legal requirements have been fulfilled as required under the Applicable Securities Laws in order to qualify the Offered Securities and the Compensation Warrants for distribution in the Qualifying Jurisdictions by or through investment dealers or brokers who are registered under the Applicable Canadian Securities Laws of the Qualifying Jurisdictions and who have

complied with the relevant provisions of the Applicable Canadian Securities Laws of the Qualifying Jurisdictions;

(xx) the issue and delivery by the Corporation in the Qualifying Jurisdictions of the Warrant Shares to the holders of Warrants upon their exercise pursuant to the terms and conditions of the Warrant Indenture being exempt from, or not subject to, the prospectus requirements of Applicable Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Canadian Securities Laws of the Qualifying Jurisdictions (other than such as will have already been filed or obtained) to permit such issue;

(xxi) the first trade in, or resale of, the Warrant Shares issuable upon exercise of the Warrants being exempt from, or not subject to, the prospectus requirements of Applicable Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Canadian Securities Laws of the Qualifying Jurisdictions (other than such as will have already been filed or obtained) to permit such trade, provided that the trade will not be a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*), the Corporation is a reporting issuer at the time of the trade, and such trade is not a transaction or series of transactions involving purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Applicable Canadian Securities Laws of the Qualifying Jurisdictions);

(xxii) the issue and delivery by the Corporation in the Qualifying Jurisdictions of the Compensation Unit Shares, Compensation Unit Warrants and Compensation Warrant Shares to the holders of Compensation Warrants and Compensation Unit Warrants, as applicable, upon their exercise pursuant to the terms and conditions of the Compensation Warrant Certificates and Compensation Unit Warrant certificate being exempt from, or not subject to, the prospectus requirements of Applicable Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Canadian Securities Laws of the Qualifying Jurisdictions (other than such as will have already been filed or obtained) to permit such issue;

(xxiii) the first trade in, or resale of, the Compensation Unit Shares issuable upon exercise of the Compensation Warrants and the Compensation Warrant Shares issuable upon exercise of the Compensation Unit Warrants being exempt from, or not subject to, the prospectus requirements of Applicable Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Canadian Securities Laws of the Qualifying Jurisdictions (other than such as will have already been filed or obtained) to permit such trade, provided that the trade will not be a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*), the Corporation is a reporting issuer at the time of the trade, and such trade is not a transaction or series of transactions involving

purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Applicable Canadian Securities Laws of the Qualifying Jurisdictions);

(xxiv) all filing have been made with the CSE in connection with the issuance and listing of the (i) the Offered Shares; (ii) the Warrant Shares; (iii) the Compensation Unit Shares; and (iv) the Compensation Warrant Shares, subject only to the Standard Listing Conditions;

(xxv) Computershare Trust Company of Canada having been duly appointed as the warrant agent pursuant to the Warrant Indenture; and

(xxvi) Computershare Investor Services Inc. having been duly appointed as the transfer agent and registrar for the Common Shares.

In connection with such opinions, counsel to the Corporation may rely on the opinions of local counsel in the Selling Jurisdictions acceptable to counsel to the Agent, acting reasonably, as to qualification for distribution of the Offered Securities and the Compensation Warrants or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which they are qualified to practise and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others;

(b) if any Offered Securities are sold to Purchasers in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, the Agent receiving, at the Closing Time, a legal opinion dated the Closing Date, addressed to the Agent, in form and substance acceptable to the Agent, acting reasonably, of United States legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers of the Corporation, public and exchange officials or the auditors or transfer agent of the Corporation), to the effect that the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States are not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule "A" hereto; it being understood that such counsel need not express its opinion with respect to any resale of the Offered Securities;

(c) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other officer(s) of the Corporation as the Agent may agree, certifying for and on behalf of the Corporation with respect to: (i) the constating documents of the Corporation; (ii) the resolutions of the Corporation's board of directors relevant to the Offering and the authorization of the other agreements and transactions contemplated herein; and (iii) the incumbency and signatures of signing officers of the Corporation;

(d) the Corporation shall cause the Auditors to deliver to the Agent a comfort letter, dated as of the Closing Date, in form and substance satisfactory to the Agent, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date, the information contained in the comfort letter referred to in subsection 4(a)(iii) hereof;

(e) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Agent may request, certifying for and on behalf of the Corporation, after having made due enquiry and after having carefully examined the Prospectus and any Supplementary Material, that:

(i) the Corporation has complied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has complied in all respects) with all of the covenants and satisfied in all material respects (except where already qualified by materiality, in which case the Corporation has complied in all respects) all of the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;

(ii) no order, ruling or determination having the effect of ceasing or suspending the trading in the Common Shares or prohibiting the sale of the Offered Securities or any other securities of the Corporation has been issued by any regulatory authority and continuing in effect and no proceedings for such purpose having been instituted or being pending or, to the knowledge of such officers, contemplated or threatened under any relevant securities laws (including Applicable Securities Laws) or by any regulatory authority;

(iii) subsequent to the respective dates as at which information is given in the Prospectus, there has not occurred a Material Adverse Effect or any change or development involving a prospective Material Adverse Effect, other than as disclosed in the Prospectus or any Supplementary Material, as the case may be;

(iv) no material change relating to the Corporation and the Subsidiaries, taken as a whole, has occurred since the date hereof with respect to which the requisite material change report has not been filed and no such disclosure having been made on a confidential basis that remains confidential; and

(v) the representations and warranties of the Corporation contained in this Agreement and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct as at the Closing Time in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as if such representations and warranties were made as at the Closing Time of Closing, after giving effect to the transactions contemplated hereby;

(f) all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under Applicable Securities Laws in the Selling Jurisdictions necessary for the offer and sale of the Offered Securities, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, will have been made or obtained, as applicable (other than, in respect of the Offering, the filing of reports required under Applicable Securities Laws in the Selling Jurisdictions within the prescribed time periods and the filing of standard documents with the CSE and NASDAQ, which documents will be filed as soon as practicable after the Closing Date and, in any event, within such deadline as may be imposed by such Securities Laws, the CSE or NASDAQ) and the Agent will have received copies of correspondence indicating that the Corporation has made all of the necessary filings

for the issuance and listing of (i) the Offered Shares; (ii) the Warrant Shares; (iii) the Compensation Unit Shares; and (iv) the Compensation Warrant Shares, subject only to the Standard Listing Conditions;

(g) the Agent shall have completed and be satisfied, in their sole discretion, with the results of its due diligence investigations regarding the Corporation, its business, operations and financial condition and market conditions at the Closing Time;

(h) the Agent shall have received a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date;

(i) the Agent shall have received a certificate of status (or the equivalent) in respect of the Corporation and the Subsidiaries issued by the appropriate regulatory authority in each jurisdiction in which the Corporation and the Subsidiaries are incorporated, amalgamated or continued, as the case may be, which certificate shall be dated no more than two Business Days prior to the Closing Date;

(j) the Agent shall have received duly executed copies of the Compensation Warrant Certificates in form and substance satisfactory to the Agent, acting reasonably; and

(k) each of the directors and senior officers of the Corporation shall have delivered to the Agent a signed copy of the Form of Lock-Up Agreement attached hereto as Schedule "B".

9 Closing

The Closing shall be completed via electronic exchange of documents unless otherwise agreed to by the Corporation and the Agent.

At or prior to the Closing Time, the Corporation shall duly and validly deliver to the Agent one or more certificate(s) in definitive form (including such other form of evidence of ownership) or in the form of an electronic deposit pursuant to the non-certificated issue system maintained by CDS Clearing and Depository Services Inc. representing the Offered Securities registered in such name or names as the Agent may notify the Corporation in writing, against payment by the Agent to the Corporation, at the direction of the Corporation, in the lawful money of Canada by wire transfer or, if permitted by applicable law, by certified cheque or bank draft, payable at par in Vancouver, British Columbia, of an amount equal to the proceeds of the Offering net of the Corporate Finance Fee, Agent's Fees and estimated Agent's Expenses in accordance with Section 10 hereof. Any Offered Securities sold to Purchasers in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States that are Accredited Investors shall be issued as definitive physical certificates and such certificates shall include the legends required by the U.S. Placement Memorandum.

The obligation of the Agent to complete the purchase of any Additional Units under this Agreement, upon the exercise of the Over-Allotment Option, is subject to the receipt by the Agent of those documents contemplated, and the satisfaction of those conditions set forth, in Section 8 as the Agent may request. In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the exercise price and to the number of the Additional Units issuable on exercise thereof such that the Agent are entitled to arrange for the sale of the same number and type of securities that the Agent

would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

10 Expenses

The Corporation shall pay all reasonable expenses and fees in connection with the Offering including, without limitation: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities; (ii) the fees and expenses of the Corporation's legal counsel, auditors and other advisors; (iii) all costs incurred in connection with the preparation of documentation related to the Offering, including filing fees; (iv) the fees and disbursements of the Agent's legal counsel and all applicable taxes thereon (to a maximum of $100,000, exclusive of disbursements and taxes); and (v) all "out-of-pocket expenses" of $10,000 of the Agent (plus all taxes thereon) in connection with due diligence and marketing meetings ((iv) and (v) collectively, the "**Agent's Expenses**"). All expenses payable by the Corporation to the Agent in accordance with this Agreement shall be payable whether or not the Offering is completed. Such fees and expenses shall be deducted from the gross proceeds otherwise payable to the Corporation at the Closing Time. Where taxes are applicable and payable by the Agent under the terms of this Agreement, an additional amount will be charged to and shall be payable by the Corporation to the Agent at the Closing Time from the gross proceeds of the Offering to reimburse the Agent for such taxes.

11 Indemnities

(a) Subject to Section 11(j), The Corporation and its subsidiaries or affiliated companies, as the case may be (collectively, the "**Indemnitor**") hereby agrees to indemnify and hold the Agent and their respective affiliates and subsidiaries and the respective directors, officers, partners, agents, employees and shareholders and each other person, if any, controlling any of the Agent or their subsidiaries or affiliates (each an "Indemnified Party" and collectively, the "**Indemnified Parties**") from and against any and all expenses, losses (other than losses of profit), claims, actions (including shareholder actions, derivative or otherwise), suits, proceedings, damages, liabilities or expenses of whatever nature or kind (excluding loss of profits), whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the fees, disbursements and taxes of their counsel (collectively, the "**Losses**") that may be incurred in investigating or advising with respect to and/or defending or settling any actual or threatened third party action, suit, proceeding, investigation or claim (collectively, the "**Claims**") that may be made against the Indemnified Parties or to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Losses and/or Claims arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement, whether performed before or after the execution and delivery of this Agreement.

(b) The Indemnitor agrees to waive any right they may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Indemnitor also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering except to the extent any Losses suffered by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted solely from fraud, the gross negligence or willful misconduct of such Indemnified Party.

(c) Promptly after receiving notice of a Claim against an Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Indemnified Party will notify the Indemnitor in writing of the particulars thereof, provided that the omission so to notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to the Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such Claim or results in any material increase in the liability which the Indemnitor has under this indemnity. The Indemnitor shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of the Claim. If the Indemnitor undertakes, conducts and controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim, at the expenses of the relevant Indemnified Party to the extent additional counsel or other external advisors are retained by such Indemnified Party.

(d) In any such Claim, such Indemnified Party shall have the right to retain separate legal counsel to act on such Indemnified Party's behalf, the reasonable fees and expenses of which counsel shall be at the expense of the Indemnitor if: (i) the Indemnitor does not assume the defence of the Claim within such 14 day period after receiving notice; (ii) the Indemnitor agrees to separate representation for the Indemnified Party, or (iii) the representation of the Indemnitor and such Indemnified Party by the same legal counsel would be inappropriate due to actual or potential differing interests, provided that in no circumstances will the Indemnitor be required to pay the reasonable fees and expenses of more than one legal counsel for all Indemnified Parties.

(e) The Indemnitor agrees that in case any legal proceeding shall be brought against the Corporation and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Agent, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including a reasonable amount to reimburse the Agent for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Indemnitor as they occur.

(f) The Indemnitor will not, without the Indemnified Party's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Indemnitor has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(g) To the extent that any Indemnified Party is not a party to this Agreement, the Agent shall obtain and hold the right and benefit of the above-noted indemnity in trust for and on behalf of such Indemnified Party.

(h) The Corporation agrees to reimburse the Agent for the time spent by their personnel in connection with any Claim at their normal per diem rates.

(i) The indemnity and the contribution obligations of the Corporation pursuant to Section 14 shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the personnel of the Agent and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and any of the Indemnified Parties. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

(j) Notwithstanding anything to the contrary contained herein, the foregoing indemnity shall cease to apply to the extent that a court of competent jurisdiction in a final judgement shall determine that such Losses to which the Indemnified Party may be subject were caused by the negligence, dishonesty, fraud or willful misconduct of the Indemnified Party.

12 Contribution

(a) In the event that the indemnity of the Corporation provided for in Section 11 hereof is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or is unavailable for any other reason, the Agent and the Corporation shall severally, and not jointly, contribute to the aggregate of all Claims and all Losses of the nature contemplated in Section 11 hereof and suffered or incurred by the Indemnified Parties in proportions as is appropriate to reflect: (i) the relative benefits received by the Agent, on the one hand (being the Agent's Fee), and the relative benefits received by the Corporation, as applicable, on the other hand (being the gross proceeds derived from the sale of the Units less the Agent's Fee), (ii) the relative fault of the Corporation, on the one hand and the Agent on the other hand, and (iii) relevant equitable consideration; provided that the Corporation shall in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any excess of such amount over the amount paid or payable to the Agent or any other Indemnified Party under this Agreement. For greater certainty and notwithstanding anything to the contrary contained herein, the Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agent's Fee or any portion thereof actually received. However, no party who has been determined by a court of competent jurisdiction in a final judgement to have engaged in any fraud, dishonesty, wilful misconduct or negligence shall be entitled to claim contribution from any person who has not been so determined to have engaged in such fraud, dishonesty, wilful misconduct or negligence.

(b) Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission. The right to contribution provided herein shall be in addition and not in derogation of any other right to contribution which the Agent may have by statute or otherwise by law..

13 Termination Rights

In addition to any other remedies which may be available to the Agent, the Agent (or any one of them) shall be entitled to terminate and cancel, without any liability on its part, all of its obligations under this Agreement and the obligations of any Person whom the Agent have solicited to purchase the Offered Securities, by notice in writing to that effect delivered to the Corporation prior to the Closing Time if:

(a) the due diligence investigations performed by the Agent or its representatives reveal any material information or fact, which, in the sole opinion of the Agent, is materially adverse to the Corporation or its business, or materially adversely affects the price or value of the Offered Securities;

(b) there is a material change or a change in a material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed in the Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Agent, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or the value of the securities of the Corporation;

(c) (i) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism, accident or any outbreak or escalation of international hostilities or war) or major financial occurrence of national or international consequence including by way of COVID-19 (which, in the case of COVID-19, the parties are not aware of as of the date hereof only to the extent that there are material adverse developments related thereto on or after August 22, 2022) or a new or change in any law, regulation, or policy which in the sole opinion of the Agent, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Corporation and its Subsidiaries taken as a whole or the market price or value of the securities of the Corporation, (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the CSE, NASDAQ or securities commission which involves a finding of wrong-doing, or (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the common shares or any other securities of the Corporation is made or threatened by a regulatory authority;

(d) the state of the financial markets in Canada or the United States is such that in the reasonable opinion of the Agent the Offered Securities cannot be profitably marketed;

(e) the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect;

If any of the Agent terminate this Agreement pursuant to this Section there shall be no further liability on the part of such Agent or of the Corporation to such Agent except in respect of any liability which may have arisen or may thereafter arise under Sections 10, 11 or 12 hereof.

14 <u>Breach of Agreement</u>

All terms and conditions of this Agreement to be performed or satisfied by the Corporation shall be constituted as conditions and any material breach of, or failure by the Corporation to comply with, any term or condition of this Agreement shall entitle the Agent, acting reasonably, on behalf of the Purchasers of the Offered Securities, to terminate their respective obligations to purchase the Offered Securities by notice to that effect given to the Corporation prior to the Closing Time. In the event of any such termination, there shall be no further liability on the part of the Corporation or the Agent except in respect of any liability which may have arisen or may thereafter arise under Section 10, 11 or 12 hereof. The Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to

its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance provided, however, that any waiver or extension must be in writing and signed by the Agent in order to be binding upon it.

15 Over-Allotment

In connection with the distribution of the Units, the Agent and members of their selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market, in compliance with Applicable Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

16 Notices

Any notice under this Agreement shall be given in writing and either delivered or telecopied to the party to receive such notice at the address or telecopy numbers indicated below:

To the Corporation:

Bright Minds BioSciences Inc.
1500 - 1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Ian McDonald, President and Chief Executive Officer
Email: "****"

with a copy to:

McMillan LLP
1500 - 1055 W Georgia St
Vancouver, BC V6E 4N7

Attention: Sasa Jarvis
e-mail: "****"

to the Agent:

Eight Capital
EY Tower
100 Adelaide St. West, Suite 2900
Toronto, Ontario M5H 1S3

Attention: Stephen Delaney
Email: "****"

with a copy (but not as notice) to:

DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto, Ontario M5X 1E2

Attention: Derek Sigel
Email: "****"

or to such other address as any of the parties may designate by notice given to the others.

Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given and made if (a) in writing and served by personal delivery upon the party for whom it is intended; (b) if delivered by email upon the earlier of (i) with receipt confirmed or (ii) one Business Day following sending by email; or (c) if delivered by certified mail, registered mail or courier service, upon the earlier of (i) return receipt received to the party at the address set forth below, to the persons indicated or (ii) one Business Day following sending such certified mail, registered mail or courier service.

17 Relationship between the Corporation and the Agent

In connection with the services described herein, the Agent shall act as independent contractor, and any duties of the Agent arising out of this Agreement shall be owed solely to the Corporation. The Corporation acknowledges that each of the Agent is a securities firm that is engaged in securities trading and brokerage activities, as well as providing investment banking and financial advisory services, which may involve services provided to other companies engaged in businesses similar or competitive to the Business and that the Agent shall have no obligation to disclose such activities and services to the Corporation. The Corporation acknowledges and agrees that in connection with all aspects of the engagement contemplated hereby, and any communications in connection therewith, the Corporation, on the one hand, and the Agent and any of their respective affiliates through which they may be acting, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agent or such affiliates, and each party hereto agrees that no such duty will he deemed to have arisen in connection with any such transactions or communications. The Corporation acknowledges and agrees that it waives, to the fullest extent permitted by law, any claims the Corporation and its affiliates may have against any of the Agent for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Agent shall have no liability (whether direct or indirect) to the Corporation or any of its affiliates in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Corporation, including stockholders, employees or creditors of the Corporation. Information which is held elsewhere within any of the Agent, but of which none of the individuals in the investment banking department or division of any of the Agent involved in providing the services contemplated by this Agreement actually has knowledge (or without breach of internal procedures can properly obtain) will not for any purpose he taken into account in determining any of the responsibilities of the Agent to the Corporation under this Agreement.

18 Survival

The obligations of the Corporation set out in Sections 10, 11 or 12 shall survive the purchase of the Offered Securities by the Purchasers and shall continue indefinitely in full force and effect unaffected by any subsequent disposition of the Offered Securities, and the Agent shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in the course of the distribution of the Offered Securities. All other representations, warranties, covenants, and agreements of the Corporation contained herein or contained in any document submitted pursuant to this Agreement or in connection with the purchase of the Offered Securities shall survive the purchase of the Offered Securities by the Purchasers and shall continue in full force and effect unaffected by any subsequent disposition of the Offered

Securities, for a period of two years from the Closing Date, and the Agent shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in the course of the distribution of the Offered Securities.

19 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the Offering and the transactions contemplated thereby and supersedes any and all prior negotiations, agreements and understandings between the parties pertaining to the Offering and the transactions contemplated thereby. There are no representations, warranties, covenants, agreements, conditions, indemnities or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the Offering or the transactions contemplated thereby except as expressly contained in this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement by any party or its directors, officers, employees, partners or agents, to any other party or its directors, officers, employees, partners or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties has been induced to enter into this Agreement by reason of any such representation, warranty, opinion, advice or assertion of fact.

20 Further Assurances.

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

21 Severability

If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Agreement and shall be severable from this Agreement.

22 Counterparts

This Agreement may be executed in any number of counterparts and by fax or email all of which when taken together shall be deemed to be one and the same document and not withstanding its actual date of execution shall be deemed to be dated as of the date first above written.

23 General

The Agreement shall be governed by and interpreted in accordance with the laws of British Columbia and the federal laws of Canada applicable therein and time shall be of the essence hereof. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the courts of British Columbia with respect to any matter arising hereunder or related thereto.

24 Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agent and their respective successors and permitted assigns.

25 **Effective Date.**

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

[Signature Page Follows.]

If the above is in accordance with your understanding, please sign and return to the Agent a copy of this letter, whereupon this letter and your acceptance shall constitute a binding agreement between the Corporation and the Agent.

EIGHT CAPITAL

Per: */s/ Stephen Delaney*

Name: Stephen Delaney

Title: Principal, Managing Director
Co-Head of Investment Banking

The above offer is hereby accepted and agreed to as of the date first above written.

BRIGHT MINDS BIOSCIENCES INC.

Per: */s/ Ian McDonald*

Name: Ian McDonald

Title: CEO

SCHEDULE "A"
U.S. OFFERS AND SALES

Definitions

As used in this Schedule "A", the following terms shall have the meanings indicated:

Accredited Investor	means an accredited investor meeting one or more of the criteria in Rule 501(a) of Regulation D;
Accredited Investor Letter	means the accredited investor investment letter in the form attached as Exhibit "A" to the U.S. Placement Memorandum.
Directed Selling Efforts	means "directed selling efforts" as that term is defined in Regulation S;
FINRA	means the Financial Industry Regulatory Authority, Inc.;
Foreign Issuer	means a "foreign issuer" as that term is defined in Regulation S;
Offshore Transaction	means an "offshore transaction" as that term is defined in Regulation S;
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Regulation S;
U.S. Exchange Act	means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
U.S. Affiliate	means any U.S. registered broker-dealer affiliate of any Agent;

All other capitalized terms used herein without definition have the meanings ascribed thereto in the Agency Agreement to which this Schedule "A" is attached (the "**Agency Agreement**").

A. Representations, Warranties and Covenants of the Agent

The Agent (on their own behalf and on behalf of their U.S. Affiliates) severally, but not jointly or jointly and severally, acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to any U.S. Person or any person within the United States, except to Accredited Investors pursuant to an available exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws. Accordingly, the Agent (on their own behalf and on behalf of their U.S. Affiliates) severally, but not jointly or jointly and severally, represent, warrant and covenant to the Corporation, as of the date hereof and as of the Closing Date, and will cause any U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. The Agent (on its own behalf and on behalf of its U.S. Affiliate) severally, but not jointly or jointly and severally, acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to any U.S. Person or any person within the United States, except to Accredited Investors pursuant to an available exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws. Accordingly, the Agent (on its own behalf and on behalf of its U.S. Affiliates) severally, but not jointly or jointly and severally, represent, warrant and covenant to the Corporation, as of the date hereof and as of the Closing Date, and will cause any U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. Except with respect to offers and sales in accordance with this Schedule "A" to Accredited Investors pursuant to an available exemption from registration under the U.S. Securities Act and available exemptions under applicable U.S. state securities laws, it has offered and sold, and will offer and sell, the Offered Securities forming part of its allotment only in an Offshore Transaction in accordance with Rule 903 of Regulation S. Accordingly, none of the Agent, their affiliates or any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell or any solicitation of an offer to buy, any Offered Securities to any U.S. Person or person in the United States; (ii) any sale of Offered Securities to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or the Agent, their affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and a non-U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Offered Securities.

2. Any offer, sale or solicitation of an offer to buy Offered Securities that has been made or will be made by it or a U.S. Affiliate in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States was or will be made only to persons reasonably believed by it and its U.S. Affiliate to be Accredited Investors purchasing Offered Securities for their own accounts.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities other than the Agency Agreement.

4. All offers and sales of the Offered Securities in the United States to be completed with the assistance of the Agent will be effected through a U.S. Affiliate as agent for the Corporation, and such U.S. Affiliate is, and shall be on the date of each offer and sale of Offered Securities by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each U.S. state in which such offers and sales of Offered Securities were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Offered Securities by it, a member in good standing with FINRA. All offers and sales of Offered Securities in the United States by it were made and will be made by its U.S. Affiliate in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA.

5. Offers and sales of the Offered Securities by it and its U.S. Affiliate in the United States or to, or for the account or benefit of, a person in the United States or a U.S. Person have not been and will not be made (i) by any form of general solicitation or general advertising as used in Rule 502(c) of Regulation D or (ii) in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. Immediately prior to soliciting offerees in the United States and at the time of completion of each sale to a purchaser in the United States, it, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as

applicable, was an Accredited Investor purchasing Offered Securities directly from the Corporation.

7. Prior to the completion of any sale of Offered Securities in the United States to an Accredited Investor, each such Accredited Investor will be required to execute and deliver to the Corporation, the Agent and the U.S. Affiliate, the Accredited Investor Letter.

8. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agent with a list of all purchasers of the Offered Securities in the United States, together with their addresses (including state of residence), the number of Offered Securities purchased and the registration and delivery instructions for the Offered Securities.

9. At the Closing, each Agent (together with its U.S. Affiliate) that participated in the offer or sale of Offered Securities in the United States will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Offered Securities in the United States, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold Offered Securities in the United States.

10. None of such Agent, its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

11. All purchasers of the Offered Securities in the United States shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Offered Securities are being offered and sold to such purchasers pursuant to an available exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws.

12. As of the Closing Date, with respect to Offered Securities offered and sold hereunder in reliance on Rule 506(b) of Regulation D ("**Regulation D Securities**"), the Agent represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent's or its U.S. Affiliate's general partners or managing members, (iii) any of the Agent's or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, or (iv) any of the Agent's or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) under Regulation D (a "**Disqualification Event**").

B. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of the Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Offered Securities.

2. The Corporation is not, and as a result of the sale of the Offered Securities contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.

3. Except with respect to offers and sales in accordance with this Schedule "A" to Accredited Investors in reliance upon the exemption from registration afforded by Section 4(a)(2) of the U.S. Securities Act and/or Rule 506(b) of Regulation D, none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to a U.S. Person or a person in the United States; or (ii) any sale of Offered Securities unless, at the time the buy order was or will have been originated, the purchaser is (x) outside the United States or (y) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and is a not a U.S. Person.

4. During the period in which the Offered Securities are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Agent, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts in the United States with respect to the Offered Securities, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Offered Securities or that would cause the exemption from registration afforded by Section 4(a)(2) of the U.S. Securities Act and/or Rule 506(b) under Regulation D to be unavailable for offers and sales of Offered Securities in the United States in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities outside the United States in accordance with the Agency Agreement and this Schedule "A".

5. The Corporation has not sold, offered for sale or solicited any offer to buy, during the period beginning six months prior to the start of the Offering and will not sell, offer for sale or solicit any offer to buy during the period ending six months after the completion of the Offering, any of its securities in the United States in a manner that would be integrated with the Offering and would cause the exemption from registration relied upon in the Offering to be unavailable with respect to offers and sales of the Offered Securities pursuant to this Schedule "A" or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities to persons outside of the United States who are not (a) U.S. Persons or (b) acting for the account or benefit of U.S. Persons or persons in the United States.

6. The Corporation will not take any action that would cause the exemptions or exclusions provided (i) by Section 4(a)(2) of the U.S. Securities Act and/or Rule 506(b) under Regulation D and applicable state securities laws to be unavailable with respect to offers and sales of the Offered Securities by the Agent in accordance with this Schedule "A", or (ii) by Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Offered Securities by the Corporation pursuant to this Schedule "A".

7. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any U.S. state securities laws in connection with the sale of the Offered Securities.

8. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

9. None of the Corporation or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the United States Securities and Exchange

Commission pursuant to Section 12(j) of the U.S. Exchange Act and any rules and regulations promulgated under the U.S. Exchange Act.

10. As of the Closing Date, with respect to the Regulation D Securities, none of the Corporation, any of its predecessors, any "affiliated" (as such term is defined in Rule 501(b) of Regulation D) issuer of the Corporation, any director or executive officer of the Corporation, any other officer of the Corporation participating in the Offering of the Regulation D Securities, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Regulation D Securities (each an "**Issuer Covered Person**" and, collectively, the "**Issuer Covered Persons**", other than any Dealer Covered Person, as to whom no representation, warranty, acknowledgement, covenant or agreement is made) is subject to any Disqualification Event. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation is not disqualified from relying on Rule 506 under the U.S. Securities Act for any of the reasons stated in Rule 506(d) in connection with the issuance and sale of the Offered Securities. If applicable, the Corporation has furnished to each purchaser, a reasonable time prior to the date hereof, a description in writing of any matters that would have triggered disqualification under Rule 506(d) but which occurred before September 23, 2013, in each case, in compliance with the disclosure requirements of Rule 506(e). The Corporation has not paid and will not pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Agent, the U.S. Affiliate and any selling group member) for solicitation of purchasers of the Offered Securities.

Appendix 1
to Schedule "A"
Agent's Certificate

In connection with the private placement in the United States of the units (the "**Units**") of Bright Minds BioSciences Inc. (the "**Corporation**") pursuant to the agency agreement dated as of August 25, 2022 (the "**Agency Agreement**") among the Corporation and the agents named therein, the undersigned does hereby certify as follows:

(i) The U.S. Affiliate is on the date hereof, and was at the time of each offer and sale of Units in the United States made by it, (a) a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state's broker-dealer registration requirements) and (b) a member of and is in good standing with FINRA;

(ii) all offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States were made only through the U.S. Affiliate as agent for the Corporation in accordance with the terms of the Agency Agreement, including Schedule "A" thereto;

(iii) all purchasers of the Units in the United States or who are, or are purchasing for the account or benefit of, U.S. Persons or who were offered the Units in the United States have been informed that the Units have not been and will not be registered under the U.S. Securities Act and such securities are being offered and sold to such purchasers without registration in reliance on exemptions from the registration requirements of the U.S. Securities Act;

(iv) immediately prior to offering, or soliciting any offers to buy, Units to any person in the United States, or to or for the account or benefit of, any U.S. Person, it had reasonable grounds to believe and did believe that each such offeree and purchaser was an Accredited Investor and, on the date hereof, it continues to believe that each such offeree or purchaser is an Accredited Investor;

(v) prior to any sale of the Units in the United States or to, or for the benefit or account of, a U.S. Person, it caused each purchaser that is an Accredited Investor to execute and deliver to the Corporation an Accredited Investor Letter;

(vi) neither the undersigned nor any of their affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units; and

(vii) all offers and sales of the Units have been conducted by it in accordance with the terms of the Agency Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

DATED this ___ day of ________________, 2022.

[**AGENT]**	**[U.S. AFFILIATE]**
By:	By:
________________________________	________________________________
Authorized Signing Officer	Authorized Signing Officer

EXHIBIT 4.26

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.

BRIGHT MINDS BIOSCIENCES INC.

as the Corporation

and

COMPUTERSHARE TRUST COMPANY OF CANADA

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of August 30, 2022

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WARRANT INDENTURE

THIS WARRANT INDENTURE (the "**Indenture**") is dated as of August 30, 2022.

BETWEEN:

> **BRIGHT MINDS BIOSCIENCES INC.**, a company existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

> **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada (the "**Warrant Agent**")

WHEREAS pursuant to the terms of the Agency Agreement (as herein defined), the Corporation has agreed to issue by way of public offering up to 3,286,700 units of the Corporation (the "**Units**"), inclusive of the Over-Allotment Option as such term is defined in the Agency Agreement, at a price of $1.40 per Unit (the "**Exercise Price**"), each such Unit consisting of one common share in the capital of the Corporation (each, a "**Common Share**") and one Warrant (as defined herein)(the "**Offering**");

AND WHEREAS each Warrant is exercisable for one Common Share (each, a "**Warrant Share**") upon payment of the Exercise Price prior to the Expiry Time (as defined herein) upon the terms and conditions herein set forth;

AND WHEREAS pursuant to the terms of the Agency Agreement, the Corporation is proposing to issue up to 3,541,533 Warrants in the manner herein set forth;

AND WHEREAS all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

“Adjustment Period” means the period from the Effective Date up to and including the Expiry Time;

“**Agency Agreement**” means the agency agreement dated August 25, 2022 between the Corporation and the Agent;

“**Applicable Law**” means any applicable statute of Canada or a province thereof, and of the United States or any state thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agent under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

“**Auditors**” means De Visser Gray LLP or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

“Authenticated” means with respect to the issuance of: (a) a Warrant Certificate, one which has been duly signed by the Corporation or on which the signatures of the Corporation have been printed, lithographed or otherwise mechanically reproduced and authenticated by manual signature of an authorized officer of the Warrant Agent; and (b) an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, and “*Authenticate*”, “*Authenticating*” and “*Authentication*” have the appropriate correlative meanings;

“**Book Entry Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Warrants;

“**Book Entry Warrants**” means Warrants that are to be held only by or on behalf of the Depository;

“**Business Day**” means any day, other than a Saturday or Sunday on which the chartered banks in the City of Vancouver, Province of British Columbia are open for commercial banking business during normal banking hours;

“**CDS Global Warrants**” means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

“**CDSX**” means the settlement and clearing system of CDS Clearing and Depository Services Inc. for equity and debt securities in Canada;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of **Schedule "A"**, attached hereto;

"**Common Shares**" has the meaning attributed to it on page 1 of this Indenture, and "*Common Share*" shall have the appropriate correlative meaning;

"**Confirmation**" has the meaning set forth in Section 3.2(4);

"**Corporation**" has the meaning attributed to it on page 1 of this Indenture, and includes any successor corporation to or of the Corporation, which shall have complied with Section 8.2;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation, which may or may not be counsel for the Corporation and "*Counsels*" shall have the appropriate correlative meaning;

"**CSE**" or "**Exchange**" means the Canadian Securities Exchange;

"**Current Market Price**" means, at any date, the volume weighted average price per Common Share at which the Common Shares have traded:

(i) on the Exchange, or

(ii) if the Common Shares are not listed on the Exchange, on any other stock exchange upon which the Common Shares are listed as may be selected for this purpose by the Directors, acting reasonably, or

(iii) if the Common Shares are not listed on any stock exchange, then on any over-the-counter market on which the Common Shares are trading, as may be selected for this purpose by the Directors of the Corporation, acting reasonably,

during the 20 consecutive Trading Days (on each of which at least 100 Shares are traded in board lots) ending the third Trading Day before such date, and the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold in board lots on the exchange or market, as the case may be, during the 20 consecutive Trading Days by the number of Common Shares sold or, if not traded on any recognized market or exchange, as determined by the Directors of the Corporation, acting reasonably. Whenever the Current Market Price is required to be determined hereunder, the Corporation shall deliver to the Warrant Agent a certificate of the Corporation specifying such Current Market Price and setting out the details of its calculation. In the event of any subsequent dispute as to the determination of the Current Market Price, the Corporation's Auditors shall make such determination which, absent manifest error, shall be binding for all purposes hereunder;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Directors**" means the board of directors of the Corporation;

"**Dividends**" means any dividends paid by the Corporation;

"**Effective Date**" means the date of this Indenture;

"**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(1);

"**Exercise Price**" at any time means the price at which a Common Share may be purchased by the exercise of a Warrant, which is initially $1.76 per Common Share, payable in immediately available Canadian dollar funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means August 30, 2024;

"**Expiry Time**" means 4:00 p.m. (Pacific time) on the Expiry Date or such earlier time on the Expiry Date as may be required by the Depository pursuant to their internal procedures;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(1);

"**Indenture**" has the meaning set forth on the face page hereof;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means in relation to a Warrant, the date of issue of the Warrant as per written order of the Corporation;

"**Offering**" has the meaning attributed to it in the recitals hereto;

"**Original AI Purchaser**" means an original purchaser of Units who, as a U.S. Purchaser that qualifies as a U.S. Accredited Investor, has executed and delivered a U.S. AI Certificate;

"**person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind;

"**Prospectus Supplement**" means the Corporation's prospectus supplement dated August 25, 2022, to the Corporation's base shelf prospectus dated June 7, 2021;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9:

"**Registered Warrantholders**" means the persons who are registered owners of Warrants as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of Uncertificated Warrants appearing on the register of the Warrant Agent;

"**Regulation D**" means Regulation D as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

"**Regulation S**" means Regulation S as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act;

"**Shareholders**" means holders of Common Shares and "*Shareholder*" shall have the appropriate correlative meaning;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the Exchange, a day on which such exchange is open for the transaction of business, and with respect to another stock exchange or an over-the-counter market, means a day on which such stock exchange or market is open for the transaction of business;

"**Uncertificated Warrant**" means any Warrant which is not a Certificated Warrant;

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

"**Units**" has the meaning ascribed thereto on page 1 of this Indenture, and "*Unit*" shall have the appropriate correlative meaning;

"**U.S. Accredited Investor**" means an "accredited investor" as defined in Rule 501(a) of Regulation D;

"**U.S. AI Certificate**" means a U.S. Accredited Investor Certificate executed and delivered by an Original AI Purchaser in connection with their purchase of Units pursuant to the private placement offering under which the Units were issued, substantially in the form annexed as Schedule "A" to U.S. AI Subscription Agreement;

"**U.S. AI Subscription Agreement**" means the Subscription Agreement executed by an Original AI Purchase in connection with their purchase of Units pursuant to the Offering, in the form attached as Exhibit II to the U.S. Placement Memorandum;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum of the Corporation dated August 25, 2022, which was furnished to U.S. Purchasers and had annexed thereto and incorporated the Prospectus Supplement;

"**U.S. Purchaser**" means an original purchaser of Units who was, at the time of purchase, (a) a U.S. Person, (b) any person purchasing such Units on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, (c) any person who receives or received an offer to acquire such Units while in the United States, and (d) any person who was in the United States at the time such person's buy order was made or the subscription agreement pursuant to which such Units were acquired was executed or delivered;

"**U.S. Purchaser Letter**" means the U.S. Purchaser letter in substantially the form attached hereto as **Schedule "D"**;

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

"**U.S. Warrantholder**" means any Registered Warrantholder that (i) is a U.S. Person, or (ii) acquired Warrants (A) in the United States or (B) for the account or benefit of any U.S. Person or any person in the United States;

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, Province of British Columbia or the City of Calgary, Alberta or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Computershare Trust Company of Canada, in its capacity as warrant agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in **Schedule "A"** hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrant Share**" has the meaning attributed to it on page 1 of this Indenture, and "*Warrant Shares*" shall have the appropriate correlative meaning;

"**Warrantholders**", or "**holders**" without reference to Warrants, means the warrantholders as and in respect of Warrants registered in the name of the Depository and includes owners of Warrants who beneficially hold securities entitlements in respect of the Warrants through a Book Entry Participant, or means, at a particular time, the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Registered Warrantholders entitled to acquire in the aggregate not less than 50% of the aggregate number of Common Shares which could be acquired pursuant to all Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or

proceeding specified therein; and "**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the "Corporation**", "**Officer's Certificate**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any one duly authorized signatory of the Corporation and may consist of one or more instruments so executed; and

"**Warrants**" means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and /or Uncertificated Warrant held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase up to 3,541,533 Common Shares (subject to adjustment as herein provided) at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant.

Section 1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

Section 1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

Section 1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.5 Time of the Essence.

Time shall be of the essence of this Indenture and each Warrant.

Section 1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

Section 1.7 Applicable Law.

This Indenture, the Warrants and the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably

attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

Section 2.1 Creation and Issue of Warrants.

Subject to adjustment with the provisions hereof, a maximum of 3,541,533 Warrants are hereby created and authorized to be issued on the Issue Date in accordance with the terms and conditions hereof. By written order of the Corporation, the Warrant Agent shall issue and deliver Warrants in certificated or uncertificated form pursuant to Section 2.4 2.5 hereof to Registered Warrantholders and record the names of the Registered Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

Section 2.2 Terms of Warrants.

(1) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each Warrantholder thereof, upon exercise at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Warrant Share upon payment of the Exercise Price.

(2) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Warrant Shares. Any fractional Warrants shall be rounded down to the nearest whole number and no consideration shall be paid for any such fractional Warrant.

(3) Each Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.

(4) The number of Warrant Shares which may be purchased pursuant to the Warrants and the Exercise Price therefor shall be adjusted upon the events and in the manner specified in Section 4.1.

(5) Neither the Corporation nor the Warrant Agent shall have any obligation to deliver Warrant Shares upon the exercise of any Warrant if the person to whom such Warrant Shares are to be delivered is a resident of a country or political subdivision thereof in which the Warrant Shares may not lawfully be issued pursuant to applicable securities legislation. The Corporation or the Warrant Agent may require any person to provide proof of an applicable exemption from such securities legislation to the Corporation and Warrant Agent before Warrant Shares are delivered pursuant to the exercise of any Warrant.

Section 2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

Section 2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual Issue Date thereof.

Section 2.5 Form of Warrants, Certificated Warrants.

(1) The Warrants may be issued in both certificated and uncertificated form. Any Warrants issued, sold or transferred to a U.S. Warrantholder must be in individually certificated form only. All Warrant Certificates issued to a U.S. Warrantholder must bear the applicable legend as set forth in Section 2.8(1). All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in **Schedule "A"** hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(2) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in **Schedule "A"** hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form or whether such Warrantholders are Registered Warrantholders or owners of Warrants who beneficially hold security entitlements in respect of the Warrants through a Depository.

Section 2.6 Book Entry Warrants.

(1) Reregistration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have

Warrants registered in their names and shall not receive or be entitled to receive Warrants in certificated form or to have their names appear in the register referred to in Section 2.9 herein. Notwithstanding any terms set out herein, Warrants having the legend set forth in Section 2.8(1) herein may only be held in the form of Uncertificated Warrants with the prior consent of the Warrant Agent and in accordance with the Internal Procedures of the Warrant Agent.

(2) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Warrants and the Corporation is unable to locate a qualified successor;

(b) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(d) the Corporation determines that the Warrants shall no longer be held as Book Entry Warrants through the Depository;

(e) such right is required by Applicable Law, as determined by the Corporation and the Corporation's Counsel;

(f) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder(in which case the Warrant Certificate shall contain the legend set forth in Section 2.8(1), if applicable); or

(g) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrant Certificates shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in Section 2.6(2)(a) to Section 2.6(2)(f).

(3) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, *mutatis mutandis*. All such Warrants

issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct, and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants or to the legend required by Section 2.8(1) and the restrictions set out in such legend) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(4) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(5) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(6) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by Applicable Law and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(b) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or

(c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.

(8) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

Section 2.7 Warrant Certificate.

(1) For Warrants issued in certificated form (including all replacements issued in accordance with this Indenture), the form of certificate representing Warrants shall be substantially as set out in **Schedule "A"** hereto or such other form as is authorized in writing from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any one duly authorized signatory of the Corporation; whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has one signature as hereinbefore provided shall be valid notwithstanding that one or more of the persons whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(2) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture, including valid entitlements to the Warrant Shares. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(3) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and Applicable Law, validly entitle the holder to acquire Warrant Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(4) No Warrant shall be considered issued and shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof.

Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(5) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by signature by or on behalf of the Warrant Agent substantially in the form of the Warrant set out in **Schedule "A"** hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(6) No Uncertificated Warrant shall be considered issued or shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(7) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of the Indenture or such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be responsible, liable or answerable for the use made of the Warrants or any of them or by the Corporation of the proceeds thereof.

Section 2.8 Legends.

(1) Neither the Warrants nor the Warrant Shares issuable upon exercise thereof have been, nor will they be, registered under the U.S. Securities Act or the securities laws of any U.S. state, and may not be offered, sold or otherwise disposed of in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, unless an exemption from the registration requirements under the U.S. Securities Act and applicable U.S. state securities laws is available, and the holder agrees not to offer, sell or otherwise dispose of the Warrants or Warrant Shares in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws is available. Warrants and, if applicable, Warrant Shares issued to, or for the account or benefit of, a U.S. Warrantholder (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in individually certificated form, subject to the requirements of Section 3.3(3).

Any certificates representing Warrants issued to a U.S. Warrantholder , and, if applicable, any certificates representing Warrant Shares issued on exercise of Warrants issued to a U.S. Warrantholder, and any certificates issued in replacement thereof or in substitution therefor, shall, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, bear a legend in substantially the following form:

> "THE SECURITIES REPRESENTED HEREBY [***for Warrants add:*** **AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF**] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U. S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF BRIGHT MINDS BIOSCIENCES INC. (THE "COMPANY") THAT THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT IF AVAILABLE, AND, IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER OF THE SECURITES HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY. [***For Common Shares add:*** DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON A CANADIAN STOCK EXCHANGE.]"

provided that, if any such Warrants and any such Warrant Shares issued on exercise of such Warrants are being sold outside the United States in accordance with Rule 904 of Regulation S, if available, and in compliance with applicable local securities laws and regulations, and the Warrants or Warrant Shares, as the case may be, were acquired when the Corporation qualified as a "foreign issuer" (as defined in Rule 902 of Regulation S), the legend set forth above may be removed by providing a

declaration to the Corporation and its registrar and transfer agent, or the Warrant Agent as applicable, for such securities to the effect set forth in **Schedule "C"** hereto together with such documentation as the Corporation or Warrant Agent may reasonably request; provided further that, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or with the prior written consent of the Corporation pursuant to another exemption from registration under the U.S. Securities Act and applicable state securities laws, the legend may be removed by delivery to the Corporation and to the transfer agent, or the Warrant Agent as applicable, for the securities of an opinion of counsel of recognized standing, satisfactory in form and substance to the Corporation and to the transfer agent for the securities, or the Warrant Agent as applicable, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

Any certificates representing Warrants issued to a U.S. Warrantholder, and any certificates issued in replacement thereof or in substitution therefor, shall also bear a legend in substantially the following form:

> "THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE COMMON SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(2) Each CDS Global Warrant, if issued on a certificated basis, originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

> "UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO BRIGHT MINDS BIOSCIENCES INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS

OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(3) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legends contained in Section 2.8(1) or Section 2.8(2) or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

Section 2.9 Register of Warrants

(1) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(a) the name and address of the Registered Warrantholder, the date of Authentication thereof and the number of Warrants;

(b) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Certificated Warrant, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(c) whether such Warrant has been cancelled; and

(d) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation and or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the

Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(2) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent), sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

Section 2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(1) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to Applicable Law, shall issue and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor, and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and

shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

Section 2.11 Exchange of Warrant Certificates.

(1) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(2) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(3) Warrant Certificates exchanged for Warrant Certificates that bear the legends set forth in Section 2.8(1) shall bear the same legend(s).

Section 2.12 Transfer and Ownership of Warrants.

(1) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificates representing the Warrants to be transferred together with a duly executed transfer form as set forth in **Schedule "A"** attached hereto and (b) in the case of Book Entry Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system, and (c) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee of a Certificated Warrant a Warrant Certificate representing the Warrants transferred, and to the transferee of an Uncertificated Warrant, an Uncertificated Warrant representing the Warrants transferred, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request that part of the CDS Global Warrant be certificated, and the transferee of a Book Entry Warrant shall be recorded through the relevant Book Entry Participant in accordance with the book-entry registration system

as the entitlement holder in respect of such Warrants. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(2) If a Warrant Certificate tendered for transfer bears the legends set forth in Section 2.8(1), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and such securities may be transferred only (A) to the Corporation, (B) outside the United States in accordance with Rule 904 of Regulation S, if available, and in compliance with applicable local securities laws and regulations, (C) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144, if available, and in compliance with applicable state securities laws, (D) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144A, if available, and in compliance with applicable state securities laws, or (E) with the prior written consent of the Corporation pursuant to another exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws after first providing to the Corporation and the Warrant Agent (1) in the case of a transfer pursuant to clause B, a declaration in the form of **Schedule "C"** attached hereto together with such additional documentation as the Corporation and the Warrant Agent may reasonably prescribe, and (2) in the case of a transfer pursuant to clause C or clause E, an opinion of U.S. counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent that the offer, sale, pledge or other transfer does not require registration under the U.S. Securities Act or applicable U.S. state securities laws, or after first providing to the Corporation such other evidence of compliance with applicable securities laws as the Corporation shall reasonably request. Warrants and, if applicable, Warrant Shares, issued to, or for the account or benefit of, a U.S. Warrantholder (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in individually certificated form, subject to the requirements of Section 3.3(3).

(3) Subject to the provisions of this Indenture, and Applicable Law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Warrant Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

Section 2.13 Cancellation of Surrendered Warrants.

All Certificated Warrants and Uncertificated Warrants surrendered pursuant to Article 3 shall be cancelled by the Warrant Agent and upon such circumstances all such Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrants so cancelled, the number of Warrants evidenced thereby, the number of Warrant Shares, if any, issued pursuant to such Warrants, as applicable, and the details of any Warrants issued in substitution or exchange for such Warrants cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

Section 3.1 Right of Exercise.

Subject to the provisions hereof, each Registered Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Warrant Share for each Warrant after the Issue Date and prior to the Expiry Time and in accordance with the conditions herein; provided however, that if a Warrant Certificate tendered for exercise bears the legend set forth in Section 2.8(1), such exercise must be permitted under the U.S. Securities Act and applicable state securities laws in accordance with the conditions set forth in Section 3.2(2).

Section 3.2 Warrant Exercise.

(1) Registered Warrantholders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Warrant Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") in the form attached hereto as **Schedule "B"**, which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(2) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder who is a U.S. Warrantholder, or who is requesting delivery of the Warrant Shares issuable upon exercise of the Warrants in the United States must (a) provide a completed and executed U.S. Purchaser Letter, or (b) an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent that the exercise is exempt from the registration requirements of applicable securities laws of any state of the United States and the U.S. Securities Act; *provided however* that a Warrantholder that is a U.S. Purchaser who executed and delivered a U.S. AI Certificate will not be required to deliver a U.S. Purchaser Letter or an opinion of counsel in connection with the due exercise of the Warrant at a time when the representations, warranties and covenants made by the Warrantholder in the U.S. AI Certificate, as the case may be, remain true and correct and the Warrantholder represents to the Corporation as such.

(3) A Registered Warrantholder of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(4) Upon compliance with this Indenture and the internal procedures of the Warrant Agent and the Depository, a Registered Warrantholder may request their Warrants be held electronically through a book based registration system, including CDSX. A beneficial owner of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Participant to deliver to the Depository on behalf of the beneficial owner, notice of the beneficial owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through the book entry registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Participant through a book entry registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants: (i) is not in the United States, (ii) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States, and (iii) did not execute or deliver the notice of the beneficial owner's intention to exercise such Warrants in the United States. If the Book Entry Participant is not able to make or deliver the foregoing representations by initiating the electronic exercise of the Warrants, then such Warrants shall be withdrawn from the book entry registration system, including CDSX, by the Book Entry Participant and an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner of the Uncertificated Warrants or Book Entry Participant and the exercise procedures set forth in Section 3.2(1) and Section 3.2(2)shall be followed.

(5) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Participant and payment from such beneficial holder should be provided to the Book Entry Participant sufficiently in advance so as to permit the Book Entry Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Warrant Shares to

which the exercising Warrantholder is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Participant exercising the Warrants on its behalf.

(6) By causing a Book Entry Participant to deliver notice to the Depository, a Warrantholder shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of Warrant Shares in connection with the obligations arising from such exercise.

(7) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no force and effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Participant to exercise or to give effect to the settlement thereof in accordance with the Warrantholder's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Participant or the Warrantholder.

(8) The Exercise Notice referred to in this Section 3.2 shall be signed by the Registered Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Registered Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent but such Exercise Notice need not be executed by the Depository.

(9) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Warrant Shares subscribed must be paid at the time of subscription and such Exercise Price and original Exercise Notice executed by the Registered Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(10) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Registered Warrantholder who is permitted to and makes one of the certifications set forth on the Exercise Notice or the Confirmations and delivers, if applicable, any opinion or other evidence as required by the Corporation.

(11) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Registered Warrantholders.

(12) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(13) Any Warrant with respect to which a Confirmation or Exercise Notice is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

Section 3.3 U.S. Restrictions; Legended Certificates

(1) Subject to Section 3.3(2) below, (i) Warrants may not be exercised within the United States, or by or on behalf of any U.S. Person or any person in the United States; and (ii) no Warrant Shares issued upon exercise of Warrants may be delivered to any address in the United States.

(2) Notwithstanding Section 3.3(1), Warrants which bear the legend set forth in Section 2.8(1) may be exercised in the United States, or for the account or benefit of a U.S. Person or a person in the United States, and Warrant Shares issued upon exercise of any such Warrants may be delivered to an address in the United States, provided that (a) the person exercising the Warrants is an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D, and (b) delivers a completed and executed U.S. Purchaser Letter, or provides a legal opinion in form and substance satisfactory to the Corporation and the Warrant Agent which confirms that the issuance of the Shares is in compliance with the U.S. Securities Act and applicable state securities laws; *provided however* that, for greater certainty, in the case of a Warrantholder that is an Original AI Purchaser, such Warrantholder will not be required to deliver a U.S. Purchaser Letter or an opinion of counsel in connection with the due exercise of the Warrants at a time when the representations, warranties and covenants made by the Warrantholder in the U.S. AI Certificate, as applicable, remain true and correct at the time of exercise and the Warrantholder represents to the Corporation as such.

(3) Shares, issued to, or for the account or benefit of, a U.S. Warrantholder as indicated on the Exercise Notice duly completed and executed by such U.S. Warrantholder in the form annexed to this Warrant Indenture as Schedule "B" (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in individually certificated form. Certificates representing Warrant Shares issued upon the exercise of Warrants, pursuant to box B or C on the Exercise Notice, shall bear the legend set forth in Section 2.8(1).

Section 3.4 Transfer Fees and Taxes.

If any of the Warrant Shares subscribed for are to be issued to a person or persons other than the Registered Warrantholder, the Registered Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Warrant Shares unless or until such Warrantholder shall have paid to the Corporation or the Warrant Agent on behalf of the Corporation, the

amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

Section 3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may from time to time designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will from time to time when requested to do so by the Corporation or any Registered Warrantholder, subject to Section 2.9(1), upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

Section 3.6 Effect of Exercise of Warrants.

(1) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Warrant Shares to be issued pursuant to the Warrants exercised shall be issued or deemed to have been issued and the person or persons to whom such Warrant Shares are to be issued shall become or be deemed to have become the holder or holders of record of such Warrant Shares within three Business Days of the Exercise Date unless the register shall be closed on such date, in which case the Warrrant Shares subscribed for shall be issued or deemed to have been issued and such person or persons become or be deemed to have become the holder or holders of record of such Shares, on the date on which such register is reopened. It is hereby understood that in order for persons to whom Warrant Shares are to be issued to become holders of Warrant Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(2) Within three Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall use commercially reasonable efforts to cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, as directed on the Exercise Form if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Warrant Shares subscribed for, or any other appropriate evidence of the issuance of Warrant Shares to such person or persons in respect of Warrant Shares issued under the book entry registration system.

Section 3.7 Partial Exercise of Warrants; Fractions.

(1) The holder of any Warrants may exercise its right to acquire a number of whole Warrant Shares less than the aggregate number which the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, a new Warrant Certificate(s), bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(2) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, the Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Warrant Shares. Warrants may only be exercised in a sufficient number to acquire whole numbers of Warrant Shares. Any fractional Warrant Shares shall be rounded down to the nearest whole number and the holder of such Warrants shall not be entitled to any compensation in respect of any fractional Warrant Shares which is not issued.

Section 3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate and each Warrant shall be void and of no further force or effect.

Section 3.9 Accounting and Recording.

(1) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Warrant Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received in trust for the benefit of, and shall be segregated and kept apart by the Warrant Agent for, the Warrantholders and the Corporation as their interests may appear.

(2) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Warrant Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation within three Business Days of any request by the Corporation therefor.

Section 3.10 Securities Restrictions.

Notwithstanding anything herein contained, Warrant Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

ARTICLE 4
ADJUSTMENT OF NUMBER OF WARRANT SHARES AND EXERCISE PRICE

Section 4.1 Adjustment of Number of Warrant Shares and Exercise Price.

The subscription rights in effect under the Warrants for Warrant Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Warrant Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Warrant Shares into a lesser number of Common Shares; or

(iii) issue Warrant Shares or securities exchangeable for, or convertible into, Warrant Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a) (i), (ii) or (iii) being called a "**Share Reorganization**") then the Exercise Price shall be adjusted as of the effect on the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common

Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a transfer, sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Registered Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Warrant Shares that prior to such effective date the Registered Warrantholder would have been entitled to receive, the number of Common Shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, or to which such transfer, sale or conveyance may be made, as the case may be, that such Registered Warrantholder would have

been entitled to receive on such reclassification, change, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Warrantholder had been the registered holder of the number of Warrant Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, transfer, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Registered Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, changes, capital reorganizations, consolidations, amalgamations, arrangements or mergers;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Warrant Shares issuable upon such exercise by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Registered Warrantholder an appropriate instrument evidencing such Registered Warrantholder's right to receive such additional Warrant Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Registered Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Registered Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Warrantholder is entitled to receive upon the exercise of its Warrant, and the number of Warrant Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Warrant Shares or other property or securities a Registered Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

Section 4.2 Entitlement to Warrant Shares on Exercise of Warrant.

All Warrant Shares or shares of any class or other securities, which a Registered Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Warrant Shares which such Registered Warrantholder is entitled to acquire pursuant to such Warrant.

Section 4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan, restricted share plan, share purchase plan, or dividend reinvestment plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation, which plan has been approved by the board of directors of the Corporation; or (b) the satisfaction of existing instruments issued at the date hereof.

Section 4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by an independent firm of chartered accountants other than the Auditors, who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

Section 4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Warrant Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Warrant Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

Section 4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate may be supported by a certificate of the Corporation's Auditors verifying such calculation if requested by the Warrant Agent at their discretion. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

Section 4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Registered Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall

specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Registered Warrantholders of such adjustment computation.

Section 4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Registered Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

Section 4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in Section 4.1, which in the reasonable opinion of the directors of the Corporation would materially affect the rights of Registered Warrantholders, the Exercise Price and/or Exchange Rate, the number of Warrant Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Registered Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

Section 4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Registered Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Warrant Shares or of any other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Warrant Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

Section 4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Registered Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Registered Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

Section 5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may from time to time purchase by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors of the Corporation, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system. No Warrants shall be issued in replacement thereof.

Section 5.2 General Covenants.

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Warrant Shares upon the exercise of the Warrants;

(b) it will cause the Warrant Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) upon payment of the aggregate Exercise Price therefor, all Warrant Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable, free and clear of all encumbrances;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Warrant Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the Exchange (or such other Canadian stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the Exchange, so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the Exchange;

(f) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture;

(g) it will use commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the securities laws in each of the provinces of Canada in which it is a reporting issuer;

(h) it will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five days following its occurrence; and

(i) it will make all requisite filings under applicable Canadian and United States securities legislation in connection with the issue of the Warrants and the Warrant Shares.

Section 5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct, bad faith or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and

shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

Section 5.4 Performance of Covenants by Warrant Agent.

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Corporation must promptly notify the Warrant Agent of such failure, and the Warrant Agent may notify the Registered Warrantholders of such failure on the part of the Corporation and/or may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Registered Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

Section 5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Warrant Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

Section 6.1 Suits by Registered Warrantholders.

All or any of the rights conferred upon any Registered Warrantholder by any of the terms of this Indenture may be enforced by the Registered Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Registered Warrantholders.

Section 6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Warrant Shares issued by the Warrant Agent to a Registered Warrantholder hereunder and shall be entitled to demand such payment from the Registered Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates representing such Warrant Shares and amend the securities register of the Corporation accordingly.

Section 6.3 Immunity of Shareholders, etc.

Subject to any rights or remedies available to the Warrant Agent and the Warrantholders under Applicable Law or otherwise, the Warrant Agent and the

Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, trustee, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein or in the Warrant Certificates.

Section 6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the Registered Warrantholders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Registered Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Registered Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF REGISTERED WARRANTHOLDERS

Section 7.1 Right to Convene Meetings.

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Registered Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Registered Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or within 30 days after receipt of such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Registered Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia, or at such other place as may be approved or determined by the Warrant Agent and the

Corporation. Any meeting held pursuant to this Article 7 may be done through a virtual or electronic meeting platform, subject to the Warrant Agent's capabilities at the time.

Section 7.2 Notice.

At least 21 days' prior written notice of any meeting of Registered Warrantholders shall be given to the Registered Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

Section 7.3 Chairman.

An individual (who need not be a Registered Warrantholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Registered Warrantholders present in person or by proxy shall choose an individual present to be chairman.

Section 7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Registered Warrantholders a quorum shall consist of Registered Warrantholder(s) present in person or by proxy and entitled to purchase at least 20% of the aggregate number of Warrant Shares which could be acquired pursuant to all the then outstanding Warrants. If a quorum of the Registered Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 20% of the aggregate number of Warrant Shares which may be acquired pursuant to all then outstanding Warrants.

Section 7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Registered Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

Section 7.7 Poll and Voting.

(1) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Registered Warrantholders acting in person or by proxy and entitled to acquire in the aggregate at least 2% of the aggregate number of Warrant Shares which could be acquired pursuant to all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(2) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warrantholder or as proxy for one or more absent Registered Warrantholders, or both, shall have one vote. On a poll, each Registered Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Registered Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

Section 7.8 Regulations.

(1) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Registered Warrantholders entitled to receive notice of and to vote at the meeting.

(2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Warrantholder, or be entitled to vote or be present at the meeting in

respect thereof (subject to Section 7.9), shall be Registered Warrantholders or proxies of Registered Warrantholders.

Section 7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Registered Warrantholders.

Section 7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Registered Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Registered Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(2), to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Registered Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Registered Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Registered Warrantholders;

(f) to direct any Registered Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

Section 7.11 Meaning of Extraordinary Resolution.

(1) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Registered Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Registered Warrantholders holding at least 20% of the aggregate number of Warrant Shares that could be acquired on exercise of the Warrants and passed by the affirmative votes of Registered Warrantholders holding not less than 66 2/3% of the aggregate number of Warrant Shares that could be acquired on exercise of the Warrants at the meeting and voted on the poll upon such resolution.

(2) If, at the meeting at which an Extraordinary Resolution is to be considered, Registered Warrantholders holding at least 20% of the aggregate number of Warrant Shares that could be acquired are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Registered Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Registered Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11Section 7.11 shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Registered Warrantholders entitled to acquire at least 20% of the aggregate number

of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(3) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Registered Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

Section 7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Registered Warrantholders shall be made and duly recorded in the books and such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

Section 7.14 Instruments in Writing.

All actions which may be taken and all powers that may be exercised by the Registered Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Registered Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

Section 7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

Section 7.16 Holdings by Corporation Disregarded.

In determining whether Registered Warrantholders holding Warrants evidencing the entitlement to acquire the required number of Warrant Shares are present at a meeting of Registered Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

ARTICLE 8
SUPPLEMENTAL INDENTURES

Section 8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the directors of the Corporation) and the Warrant Agent may, subject to the provisions hereof, and subject to compliance with Applicable Law and the approval of any applicable regulatory authorities and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Registered Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become

operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Registered Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Registered Warrantholders are in no way prejudiced thereby.

Section 8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

Section 9.1 Trust Indenture Legislation.

(1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Law, such mandatory requirement shall prevail.

(2) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Law.

Section 9.2 Rights and Duties of Warrant Agent.

(1) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill

that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligence, wilful misconduct, bad faith or fraud under this Indenture.

(2) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Registered Warrantholders hereunder shall be conditional upon the Registered Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(3) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrants Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(4) Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Law.

Section 9.3 Evidence, Experts and Advisers.

(1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Law or as the Warrant Agent may reasonably require by written notice to the Corporation.

(2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Law and that the Warrant Agent complies with Applicable Law and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(3) Whenever it is provided in this Indenture or under Applicable Law that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports,

opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(4) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(5) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

Section 9.4 Documents, Monies, etc. Held by the Warrant Agent

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Warrant Agent and the Warrant Agent shall place the funds in segregated trust accounts of the Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) ("**Approved Bank**"). All amounts held by the Warrant Agent pursuant to this Agreement shall be held by the Warrant Agent for the Corporation and the delivery of the funds to the Warrant Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Warrant Agent pursuant to this Agreement are at the sole risk of the Corporation and, without limiting the generality of the foregoing, the Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Warrant Agent will have acted prudently in depositing the funds at any Approved Bank, and that the Warrant Agent is not required to make any further inquiries in respect of any such bank. The Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest the same; the Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

Section 9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Registered Warrantholders.

Section 9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

Section 9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence, wilful misconduct, bad faith or fraud of the Warrant Agent, and this provision shall

survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

Section 9.8 Replacement of Warrant Agent; Successor by Merger.

(1) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Registered Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Registered Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Registered Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Law for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(2) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Registered Warrantholders thereof in the manner provided for in Section 10.2.

(3) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the successor Warrant Agent.

(4) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(1).

Section 9.9 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

Section 9.10 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

Section 9.11 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

Section 9.12 Anti-Money Laundering.

(1) The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by the Warrant Agent in connection with this Indenture, for or to the credit of the Corporation, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(2) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in

its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Indenture, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

Section 9.13 Compliance with Privacy Code.

The Corporation acknowledges that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Corporation acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of acting as Warrant Agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website, www.computershare.com, or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, the Corporation agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 10
GENERAL

Section 10.1 Notice to the Corporation and the Warrant Agent.

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if e-mailed to the address provided below:

(a) If to the Corporation:

Bright Minds Biosciences Inc.
c/o McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Ian McDonald, CEO

Email: "****"

with a copy to:

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Sasa Jarvis

Email: "****"

(b) If to the Warrant Agent:

Computershare Trust Company of Canada
3rd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9

Attention: General Manager, Corporate Trust

Email: "****"

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if e-mailed or transmitted by other electronic means, on the next Business Day following the date of transmission.

(2) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in Section 10.1(1) of a change of address which, from the effective date of such notice and until changed by like notice, shall

be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(3) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(1), or given by e-mail or facsimile or other means of prepaid, transmitted and recorded communication.

Section 10.2 Notice to Registered Warrantholders.

(1) Unless otherwise provided herein, notice to the Registered Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Registered Warrantholders to the address for such Registered Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any such notice published shall be deemed to have been received and given on the latest date the publication takes place.

(3) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

Section 10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Registered Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Warrantholder of the Warrant Shares which may be acquired pursuant thereto shall be a good discharge to the

Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

Section 10.4 Counterparts.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of the Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

Section 10.5 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent), in the case of Uncertificated Warrants, or by way of standard processing through the book entry system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Warrant Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

Section 10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Registered Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Registered Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Registered Warrantholders.

Section 10.7 Common Shares or Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Registered Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

Section 10.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

Section 10.9 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

Section 10.10 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in Section 9.8 in the case of the Warrant Agent, or as provided in Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 10.11 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant

Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares or other securities that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying shares or other securities on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

BRIGHT MINDS BIOSCIENCES INC.

By: */s/ Ian McDonald*

Name: Ian McDonald
Title: CEO

COMPUTERSHARE TRUST COMPANY OF CANADA

By: */s/ Ruibo Ni*

Name: Ruibo Ni
Title: Corporate Trust Officer

By: */s/ Brian Howarth*

Name: Brian Howarth
Title: Corporate Trust Officer

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 4:00 P.M. (PACIFIC TIME) ON AUGUST 30, 2024, AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants registered in the name of the Depository, include the following legend:

(INSERT IF BEING ISSUED TO CDS)UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO BRIGHT MINDS BIOSCIENCES INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants issued to U.S. Warrantholders, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U. S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF BRIGHT MINDS BIOSCIENCES INC. (THE "COMPANY") THAT THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS; PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER OF THE SECURITIES HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE COMMON SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

WARRANT

To acquire Shares of

BRIGHT MINDS BIOSCIENCES INC.

(incorporated pursuant to the laws of British Columbia)

Warrant
Certificate No. [●]

Certificate for ____________________________
Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture) (as defined below)

CUSIP: [●]

ISIN: [●]

THIS IS TO CERTIFY THAT, for value received,

____

(the "**Warrantholder**") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Bright Minds Biosciences Inc. (the "**Corporation**") specified above, and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 4:00 p.m. (Pacific time) (the "**Expiry Time**") August 30, 2024 (the "**Expiry Date**"), one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant at the Exercise Price (as defined herein) subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver,

British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be $1.76 per Common Share (the "**Exercise Price**").

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of August 30, 2022 between the Corporation and Computershare Trust Company of Canada, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture. Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and in compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates entitling the holder thereof to purchase in the aggregate an equal number of Common Shares as are purchasable under the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws. These Warrants may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless the Warrants and the Common Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available. Certificates representing Shares issued in the United States, or to, or for the account or benefit of any U.S. person or any person in the United

States, will bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "**United States**" and "**U.S. person**" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share issuable upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions binding all holders of Warrants outstanding thereunder, including all resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the Warrantholder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu'elles ont exigé que la présente convention, de même que tous les documents s'y rapportant, soient rédigés en anglais.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of August 30, 2022.

BRIGHT MINDS BIOSCIENCES INC.

By: ____________________________
Authorized Signatory

Countersigned and Registered by:

COMPUTERSHARE TRUST COMPANY OF CANADA

By: ____________________________
Authorized Signatory

FORM OF TRANSFER

To: Computershare Trust Company of Canada

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to ____

____

(print name and address) the Warrants represented by this Warrant Certificate and hereby irrevocably constitutes and appoints ____________________ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

Any capitalized term in this Form of Transfer that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Certificate. "**U.S. Warrantholder**" has the meaning ascribed thereto in the Indenture.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made only to the Corporation;

☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. persons or a person in the United States, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

Warrants shall only be transferable in accordance with the Warrant Indenture and all Applicable Laws. Without limiting the foregoing, if the Warrant Certificate bears a legend restricting the transfer of the Warrants except pursuant to an exemption from registration under the U.S. Securities Act, this Form of Transfer must be accompanied by a Form of Declaration for Removal of Legend in the form attached as Schedule "C" to the Warrant Indenture (or such other form as the Corporation may prescribe from time to time), or a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and to the Warrant Agent to the effect that the transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. person or a person in the United States, the

undersigned transferor hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned transferor has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

☐ If transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, check this box.

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that, unless the foregoing box is checked, the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a "U.S. person" or a person within the "United States" (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

In the event this transfer of the Warrants represented by this Warrant Certificate is to a U.S. Warrantholder, or to or for the account or benefit of a U.S. person or a person in the United States, the Transferor acknowledges and agrees that the Warrant Certificate(s) representing such Warrants issued in the name of the transferee will be endorsed with the legend required by Section 2.8(1) of the Indenture.

DATED this ____ day of_________________, 20____.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

____
Signature of Transferor

____
Guarantor's Signature/Stamp

____
Name of Transferor

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐ **Gift** ☐ **Estate** ☐ **Private Sale** ☐ **Other (or no change in ownership)**

Date of Event (Date of gift, death or sale): __ __ / __ __ / __ __ __ __

Value per Warrant on the date of event: $ ___ . __ ☐ **CAD OR** ☐ **USD**

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.

- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then

current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY

Consistent with US IRS regulations, Computershare is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: **BRIGHT MINDS BIOSCIENCES INC.**

AND TO: Computershare Trust Company of Canada

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire ____________ (A) Common Shares of Bright Minds Biosciences Inc.

Exercise Price Payable: ____
((A) multiplied by $1.76, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (a) is not in the United States, (b) is not a U.S. Person , (c) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (d) did not execute or deliver this exercise form in the United States, and (e) delivery of the underlying Common Shares will not be to an address in the United States; OR

☐ (B) the undersigned holder (a) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the agreement pursuant to which it purchased the Units of which the Warrants formed a constituent part, and (b) is an Original AI Purchaser that continues to be, and any such disclosed principal is, a U.S. Accredited Investor at the time of exercise of the Warrants, and the representations and warranties of the holder made in the Unit subscription agreement remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) if the undersigned holder is (a) a holder in the United States, (b) a U.S. Person, (c) a person exercising for the account or benefit of a U.S. Person or a person in the United States, (d) executing or delivering this exercise form in the

United States or (e) requesting delivery of the underlying Common Shares in the United States, the undersigned holder has delivered to the Corporation and the Corporation's transfer agent (i) a completed and executed U.S. Purchaser Letter in substantially the form attached to the Warrant Indenture as Schedule "D", or (ii) an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Corporation and Warrant Agent) or such other evidence reasonably satisfactory to the Corporation and Warrant Agent to the effect that with respect to the Common Shares to be delivered upon exercise of the Warrants, the issuance of such securities has been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and applicable state securities laws, or an exemption from such registration requirements is available.

It is understood that the Corporation and Computershare Trust Company of Canada may require evidence to verify the foregoing representations.

Notes:

(1) Certificates will not be registered or delivered to an address in the United States unless Box B or C above is checked and the applicable requirements are complied with. If Box B or C is checked the U.S. legend shall be affixed to the Common Shares unless the Corporation and Warrant Agent receive a satisfactory opinion of counsel of recognized standing in form and substance satisfactory to the Warrant Agent and Corporation to the effect that the U.S. legend is no longer required under the U.S. Securities Act and applicable state securities laws.

(2) If the Warrants have a U.S. legend affixed to them the resulting Common Shares will have the U.S. legend unless the Corporation and Warrant Agent receive a satisfactory opinion of counsel of recognized standing in form and substance satisfactory to the Warrant Agent and Corporation to the effect that the U.S. legend is no longer required under the U.S. Securities Act and applicable state laws.

(3) If Box C above is checked, holders are encouraged to consult with the Corporation and the Warrant Agent in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation and the Warrant Agent.

"**United States**" and "**U.S. Person**" are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	**Address(es)**	**Number of Common Shares**
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to **Computershare Trust Company of Canada, c/o General Manager, Corporate Trust**.

DATED this ____day of _____, 20__.

	)	
	)	
____________________	)	____________________
Witness	)	(Signature of Warrantholder, to be the same as
	)	appears on the face of this Warrant Certificate)
	)	
	)	____________________
		Name of Registered Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION –
RULE 904 UNDER THE U.S. SECURITIES ACT OF 1933

To: Bright Minds Biosciences Inc. (the "**Corporation**")

To: Computershare Trust Company of Canada (the "**Warrant Agent**")

Computershare Investor Services Inc. (The registrar and transfer agent for the common shares of the Corporation)

The undersigned (A) acknowledges that the sale of ____________________________ Warrants OR Common Shares (the "**Securities**") of the Corporation, represented by certificate number ____________________ or held in Direct Registration System (DRS) account number ____________________, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Corporation , (b) a "distributor" or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____day of _____, 20__.

X ____
Signature of individual (if Seller **is** an individual)

X ____
Authorized signatory (if Seller is **not** an individual)

____
Name of Seller (**please print**)

____
Name of authorized signatory (**please print**)

____
Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the foregoing representations of ____________________ (the "**Seller**") dated ____________________, pursuant to which the Seller has requested that we sell, for the Seller's account, _____________________________ common shares of the Corporation represented by certificate number _____________ or held in direct registration system (DRS) account number ________________ (the "**Common Shares**"). We have executed sales of the Common Shares pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) no offer to sell Common Shares was made to a person in the United States;

(2) the sale of the Common Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market" (as defined in Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Common Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Common Shares (including, but not be limited to, the solicitation of offers to purchase the Common Shares from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any state of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

____
Name of Firm

By:

____
Authorized Officer

Dated:

____

SCHEDULE “D”

FORM OF U.S. PURCHASER CERTIFICATION UPON EXERCISE OF WARRANTS

BRIGHT MINDS BIOSCIENCES INC.
Attention: Chief Executive Officer

- and to -

Computershare Trust Company of Canada.
as Warrant Agent

Dear Sirs:

The undersigned is delivering this letter in connection with the purchase of common shares (the “**Shares**”) of Bright Minds Biosciences Inc., a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”) upon the exercise of warrants of the Corporation (“**Warrants**”), issued under the warrant indenture dated as of August 30, 2022 between the Corporation and Computershare Trust Company of Canada.

The undersigned hereby represents, warrants, covenants, acknowledges and agrees that:

(a) it is an “accredited investor” (a “**U.S. Accredited Investor**”) (satisfying one or more of the criteria set forth in Rule 501(a) of Regulation D under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”)) **and has completed the U.S. Accredited Investor Status Certificate in the form attached hereto**;

(b) it is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each, a “**Beneficial Owner**”), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily, to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor;

(c) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of its entire investment;

(d) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other

communications published in any newspaper, magazine or similar media or broadcast over radio, television, the internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) the funds representing the purchase price for the Shares which will be advanced by the undersigned to the Corporation will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLA**") or the *United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), and the undersigned acknowledges that the Corporation may in the future be required by law to disclose the undersigned's name and other information relating to this Warrant Exercise Form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PCMLA and/or the PATRIOT Act. No portion of the purchase price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and the undersigned shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith;

(f) the Corporation has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Corporation as they have considered necessary or appropriate in connection with their investment decision to acquire the Shares;

(g) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

    (i) the sale is to the Corporation;

    (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

    (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

    (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation stating that such sale, transfer assignment or hypothecation is exempt from the

registration and prospectus delivery requirements of the U.S. Securities Act and any applicable state securities laws;

(h) the Shares are "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act) and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption or exclusion therefrom;

(i) the Corporation has no obligation to register any of the Shares or to take any other action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(j) the certificates representing the Shares as well as all certificates issued in exchange for or in substitution of therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act and applicable state securities laws, will bear, on the face of such certificate, a restrictive legend in the form set forth in Section 2.8(1) of the Warrant Indenture; provided, that if the Shares are resold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S is not applicable, such restrictive legend may be removed by providing an executed declaration to the registrar and transfer agent for the Shares, in the form attached as Schedule "C" to the Warrant Indenture (or such form as the Corporation may prescribe from time to time), and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(k) the financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(l) the Corporation gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of the Shares;

(m) it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in the Warrant Indenture and the accompanying Warrant Exercise Form; and

(n) it acknowledges and consents to the fact that the Corporation is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the undersigned for the purpose of facilitating the subscription for the Shares hereunder. The undersigned acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices and agrees and acknowledges that the Corporation may use and disclose such personal information: (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the undersigned; (b) for use and disclosure for income tax-related purposes, including without limitation, where required by law disclosure to Canada Revenue Agency; (c) disclosure to professional advisers of the Corporation in connection with the performance of their professional services; (d) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory filings; (e) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with your prior written consent; (g) disclosure to a court determining the rights of the parties under the Warrant; and (h) for use and disclosure as otherwise required or permitted by law.

The undersigned hereby further acknowledges that the Corporation will rely upon our confirmations, acknowledgements and agreements set forth herein, and we agree to notify the Corporation promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

DATED this ____day of _____, 20__.

____
(Name of U.S. Purchaser)

By: ________________________________
Name:
Title:

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an outstanding Warrant of **Bright Minds Biosciences Inc.** (the "**Corporation**") by the holder, the holder hereby represents and warrants to the Corporation that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of U.S. Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies)**:

_______ Category 1. A bank, as defined in Section 3(a)(2) of the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), whether acting in its individual or fiduciary capacity; a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*; an investment adviser registered pursuant to section 203 of the *Investment Advisers Act of 1940* or registered pursuant to the laws of a state; an investment adviser relying on the exemption from registering with the United States Securities and Exchange Commission (the "**Commission**") under section 203(l) or (m) of the United States *Investment Advisers Act of 1940*; an insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; an investment company registered under the United States *Investment Company Act of 1940*; a business development company as defined in Section 2(a)(48) of the United States *Investment Company Act of 1940*; a small business investment company licensed by the United States Small Business Administration under Section 301 (c) or (d) of the United States *Small Business Investment Act of 1958*; a rural business investment company as defined in section 384A of the United States *Consolidated Farm and Rural Development Act*; a plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US$5,000,000; or an employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are U.S. Accredited Investors; or

_______ Category 2. A private business development company as defined in Section 202(a)(22) of the United States *Investment Advisers Act of 1940*; or

_______ Category 3. An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of $5,000,000; or

_______ Category 4. A director or executive officer of the Corporation; or

_______ Category 5. A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent (being a cohabitant occupying a relationship generally equivalent to that of a spouse), at the time of that person's purchase of

Common Shares exceeds US$1,000,000 (**note:** for the purposes of calculating net worth: (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of Common Shares contemplated hereby, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale and purchase of Units contemplated hereby exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; (iv) for the purposes of calculating joint net worth of the person and that person's spouse or spousal equivalent, (A) joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent, and (B) assets need not be held jointly to be included in the calculation; and reliance by the person and that person's spouse or spousal equivalent on the joint net worth standard does not require that the securities be purchased jointly); or

_______ Category 6. A natural person who had an individual income in excess of US$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of US$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

_______ Category 7. A trust, with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

_______ Category 8. An entity in which all of the equity owners are U.S. Accredited Investors.

If you checked Category 8, please indicate the name and category of U.S. Accredited Investor (by reference to the applicable category number herein) of each equity owner:

Name of Equity Owner	**Category of Accredited Investor**

It is permissible to look through various forms of equity ownership to natural persons in determining the U.S. Accredited Investor status of entities under this category. If those natural persons are themselves U.S. Accredited Investors, and

if all other equity owners of the entity seeking U.S. Accredited Investor status are U.S. Accredited Investors, then this category will be available.

_______ Category 9. An entity, of a type not listed in Categories 1, 2, 3, 7 or 8, not formed for the specific purpose of acquiring the Shares, owning investments in excess of US$5,000,000 (note: for the purposes of this Category 9, "investments" is defined in Rule 2a51-1(b) under the United States *Investment Company Act of 1940*);

_______ Category 10. A natural person holding in good standing one or more of the following professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for U.S. Accredited Investor status: The General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), and the Licensed Investment Adviser Representative (Series 65);

_______ Category 11. Any "family office," as defined in rule 202(a)(11)(G)-1 under the United States *Investment Advisers Act of 1940*: (i) with assets under management in excess of US$5,000,000, (ii) that is not formed for the specific purpose of acquiring the Shares, and (iii) whose prospective investment is directed by a person (a "**Knowledgeable Family Office Administrator**") who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

_______ Category 12. A "family client," as defined in rule 202(a)(11)(G)-1 under the United States *Investment Advisers Act of 1940*, of a family office meeting the requirements set forth in Category 11 above and whose prospective investment in the Corporation is directed by such family office with the involvement of the Knowledgeable Family Office Administrator.

Dated: ___________________________ Signed: ____

____
Print the name of Exerciser

____
Print official capacity or title, if applicable

____
Print name of individual whose signature appears above if different than the name of the Exerciser printed above.

EXHIBIT 8.1

LIST OF SUBSIDIARIES

Subsidiaries

1. Bright Minds Biosciences LLC, a Delaware limited liability company; and
2. Bright Minds Bioscience Pty. Ltd., an Australia corporation.

EXHIBIT 12.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ian McDonald, certify that:

1. I have reviewed this Annual Report on Form 20-F of Bright Minds Biosciences Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 29, 2022

/s/ Ian McDonald
Name: Ian McDonald
Title: President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 12.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ryan Cheung, certify that:

1. I have reviewed this Annual Report on Form 20-F of Bright Minds Biosciences Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 29, 2022

/s/ Ryan Cheung

Name: Ryan Cheung
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 13.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bright Minds Biosciences Inc. on Form 20-F for the fiscal year ended September 30, 2021 filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial conditions and results of operations of Bright Minds Biosciences Inc.

Date: December 29, 2022 *ｓ/ Ian McDonald*

Name: Ian McDonald
Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: December 29, 2022 */s/ Ryan Cheung*

Name: Ryan Cheung
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement, or other document authenticating, acknowledging, or otherwise adopting each of the signatures appearing in typed form within the electronic version of this written statement, has been provided to Bright Minds Biosciences Inc. and will be retained by Bright Minds Biosciences Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This written statement accompanies the Annual Report on Form 20-F in which it appears as an Exhibit pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the U.S. Sarbanes-Oxley Act of 2002 or other applicable law, be deemed filed by Bright Minds Biosciences Inc. for purposes of Section 18 of the U.S. Securities Exchange Act of 1934, as amended.