

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Bright Minds Biosciences Inc. (the “Company”)
19 Vestry Street
New York, NY 10013

Item 2. Date of Material Change

November 1, 2024

Item 3. News Release

A news release announcing the material change described herein was disseminated on November 1, 2024 and subsequently filed on SEDAR+ at www.sedarplus.ca.

Item 4. Summary of Material Change

On November 1, 2024, the Company closed its previously announced non-brokered private placement of 1,612,902 common shares in the capital of the Company (the “Shares”) at a price of USD\$21.70 per Share for aggregate gross proceeds of USD\$35,000,000 (the “Offering”).

Item 5.1 Full Description of Material Change

On November 1, 2024, the Company completed the Offering.

All securities issued in connection with the Offering are subject to a statutory hold period of four months and one day following the date of issuance in accordance with applicable Canadian securities laws. No finder’s fees were paid in connection with the Offering.

The Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws. Accordingly, the Shares of the Company may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Any Shares offered and sold in the United States shall be issued as “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act.

The Company intends to use its reasonable commercial efforts to file a registration statement with the Securities and Exchange Commission after closing to register the Shares for resale under the U.S. Securities Act.

Related Party Disclosure

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See Item 5.1 above.

(b) the purpose and business reasons for the transaction:

See Item 5.1 above.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See Item 5.1 above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Prior to the completion of the Offering, Jeremy Fryzuk (“**Fryzuk**”) beneficially owned or controlled 46,000 Shares. Fryzuk acquired 4,609 Shares in the Offering. After completion of the Offering, the number of Shares beneficially owned or controlled by Fryzuk is 50,609 Shares or approximately 0.73% of the outstanding Shares.

Prior to the completion of the Offering, Cormorant Asset Management (“**Cormorant**”, and together with Fryzuk the “**Insiders**”) beneficially owned or controlled 875,000 Shares. Cormorant acquired 184,331 Shares in the Offering. After completion of the Offering, the number of Shares beneficially owned or controlled by Cormorant is 1,059,331 Shares or approximately 15.25% of the outstanding Shares.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

See item (d)(i) above.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

Resolutions passed by the board of directors of the Company and the audit committee of the Company on October 22, 2024.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements entered into with the Insiders, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:**

The participation of the Insiders in the Offering each constitutes a related party transaction under MI 61- 101. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the Insiders, exceeded 25% of the Company's market capitalization.

The Company did not file a Material Change Report in respect of the related party transactions at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to complete and avail itself of the proceeds of the Offering in an expeditious manner.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information was omitted.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report (the “MCR”) and may be contacted:

Ian McDonald
Chief Executive Officer
Telephone: (647) 865-8622

Item 9. Date of Report

November 5, 2024

Forward-Looking Statements

This MCR contains “forward-looking information”. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements in this MCR include the use of proceeds for the Offering. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this MCR. These factors include the company’s financial position and operational runway, regulatory risk to operating in the pharmaceutical industry, and inaccuracies related to the assumption made by management relating to general availability of resources required to operate the studies noted in this MCR. Additional risk factors can also be found in the Company’s public filings under the Company’s SEDAR+ profile at www.sedarplus.ca. Forward-looking statements contained herein are made as of the date of this MCR and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be 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 statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management’s estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.