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, 2024**

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.

4,524,087 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 "large accelerated filer," "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 market whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S. C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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 ☒

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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 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 provisional patent applications will be converted to regular patent applications or refiled as new provisional patent applications 12 months from their filing dates;
- expectations that prosecution of patent applications that have entered the national/regional phase will begin;
- 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;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- the Company's ability to obtain the necessary regulatory approvals;
- expectations that regulatory requirements will be maintained;
- expectations related to general business and economic conditions;

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

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 current and future clinical trials;
- 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 may not be successful in its efforts to identify, license or discover additional product candidates;
- the Company has limited experience in completing clinical trials and has only completed one phase one drug trial to date;
- 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 may not achieve the 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, 2024, 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, 2024 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 27, 2024, 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$0.74.

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. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

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.

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

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

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

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

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, and/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 (as defined herein) 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 if or when we 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 limited experience in completing clinical trials and have only completed one phase one drug trial to date.

In July 2023, we completed the first Phase 1 clinical trial for our lead compound, BMB-101. However, we have not yet demonstrated an ability to obtain 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. We may not be able to file an IND for BMB-101 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 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 remains 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 the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

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.

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

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.

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

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

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

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 the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. If the Company's product candidates during clinical trials were to cause adverse side effects, the Company may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

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

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

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

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.

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

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

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

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

If patent laws or the interpretation of patent laws change, 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 our and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize our products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

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 the Company because it expects that future product candidates could be manufactured, and used in a number of foreign countries.

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

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

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

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

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

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

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

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 Common Shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute our current shareholders.

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

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

Clinical and preclinical drug development is a lengthy, costly process with uncertain outcomes. The results from previous clinical trials and early preclinical studies of our product candidates may not predict future results. The regulatory approval process is lengthy and unpredictable. Inability to obtain the regulatory approval can be harmful for business.

Before we can begin clinical trials, we must submit the results of preclinical studies, along with other necessary information such as product candidate chemistry, manufacturing controls, and our proposed clinical trial protocol, to the Food and Drug Administration or other comparable regulatory authorities as part of an investigational new drug application or similar regulatory filing. To obtain marketing approval from the Food and Drug Administration or other comparable foreign regulatory authorities, we must complete preclinical development and extensive clinical trials to demonstrate their safety and efficacy.

This process is expensive, can take many years, and its outcome is inherently uncertain. Our clinical trials may not be conducted as planned or completed on schedule, if at all, and failure can occur at any time during the preclinical study or clinical trial process. Despite promising preclinical or clinical results, any product candidate can unexpectedly fail at any stage of development. Historically, the failure rate for product candidates in drug development is high. Results from preclinical studies or early clinical trials may not predict the outcomes of later clinical trials, and interim results of a clinical trial are not necessarily indicative of final results. Bright Minds Biosciences had previously submitted an investigational new drug application to the Food and Drug Administration but later withdrew it prior to full review. In the withdrawal letter, the Food and Drug Administration mentioned partial clinical hold deficiencies related to the proposed dosing regime. Additional clinical development is ongoing for BMB-101 to initiate Phase 2 clinical trials. Additionally, product candidates in later stages of clinical trials may fail to demonstrate the desired safety and efficacy characteristics, despite having progressed through preclinical studies and clinical trials. The Food and Drug Administration or any foreign regulatory authorities may delay, restrict, or deny approval of our product candidates, or require additional nonclinical or clinical testing, or even force us to abandon a program for various reasons.

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.

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

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

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

We have negative operating cash flow.

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

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 our 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.

Risks Related to Our Common Shares

Our executive officers and directors beneficially own approximately 25.5% of our Common Shares.

As of December 20, 2024, our executive officers and directors beneficially own, in the aggregate, approximately 25.5% 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 (as defined herein) 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 (as defined herein) 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 229,350 stock options, 132,000 RSUs and 361,765 warrants outstanding as of December 20, 2024. 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 Common 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.

Our Common Shares began trading on the Canadian Securities Exchange (the "**CSE**") on February 8, 2021 and began trading on The Nasdaq Capital Market ("**Nasdaq**") on November 8, 2021. Our Common Shares 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 receiving 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 U.S. Securities and Exchange Commission (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.sedarplus.ca and on our website at https://brightmindsbio.com/. We do not incorporate the contents of our website or of www.sedarplus.ca into this Annual Report. Information on our website does not constitute part of this Annual Report. In addition, 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

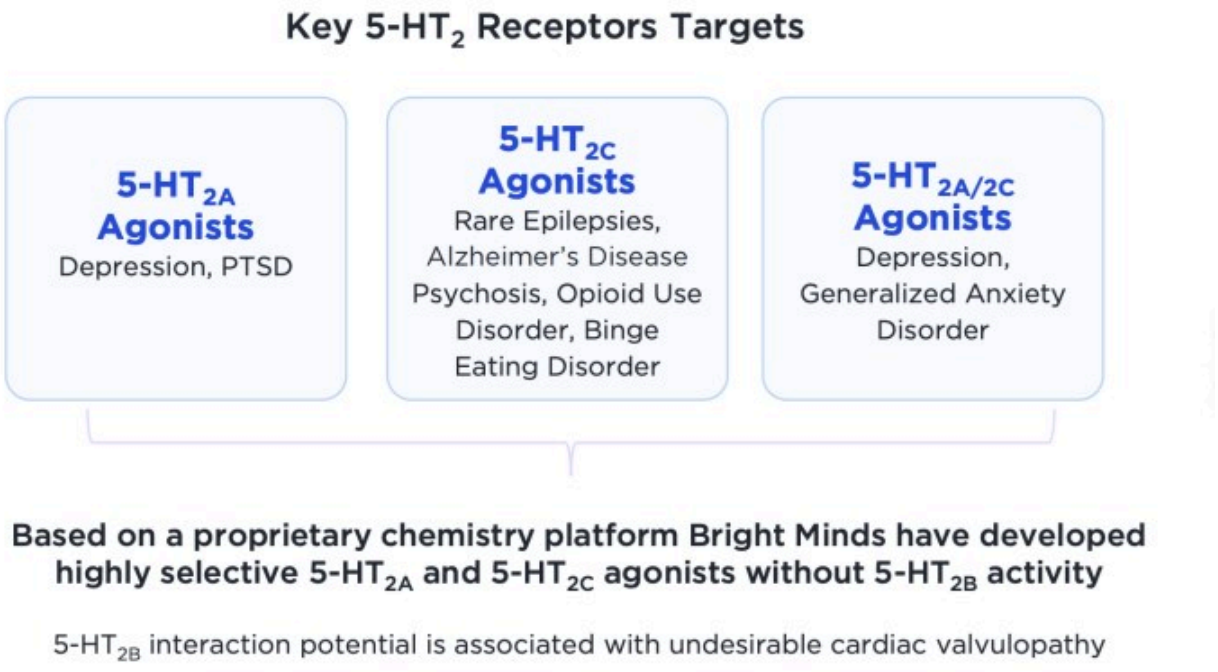
Overview

The Company is a biotechnology company developing innovative treatments for patients with neurological and psychiatric disorders. Our pipeline includes novel compounds targeting key receptors in the brain to address conditions with high unmet medical need, including epilepsy, depression, and other central nervous system (CNS) disorders. The Company is focused on delivering breakthrough therapies that can transform patients' lives. The Company has developed a unique platform of highly selective serotonergic agonists exhibiting selectivity at different serotonergic receptors. This has provided a rich portfolio of new chemical entity (NCE) programs within neurology and psychiatry.

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.

[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>.



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.

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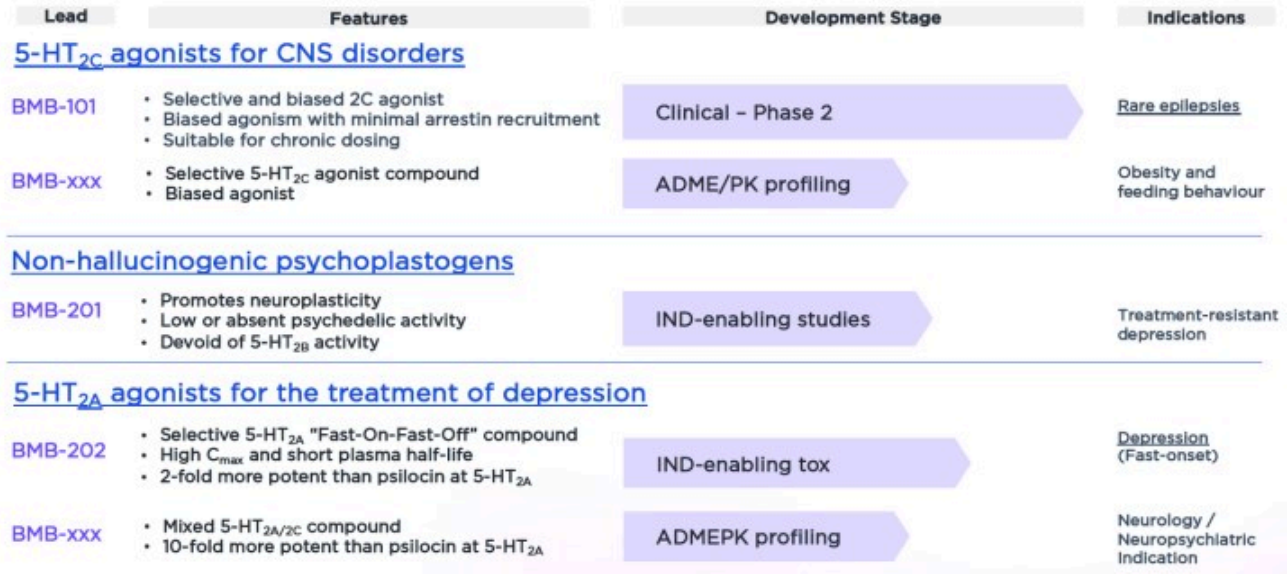
[2]Samar Nicolas & Diala Nicolas, "Triptans" (26 May 2020), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/books/NBK554507/>.

[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>.



The Company's lead program is 5-HT2C selective agonist BMB-101. It is a novel scaffold 5-HT2C agonist developed using structure-based drug design. Biased agonism at the 5-HT2C receptor is one of its key features and adds another layer of functional selectivity within a well-validated target. BMB-101 works exclusively via the Gq-protein signaling pathway and avoids beta-arrestin activation, which is crucial to minimize the risk of receptor desensitization and tolerance development. This provides a novel mechanism, anti-epileptic drug designed to provide sustained seizure relief in hard-to-treat patient populations. In preclinical studies, BMB-101 has demonstrated efficacy in animal models of Dravet Syndrome and animal models of generalized seizures.

In Phase 1 clinical studies, BMB-101was tested in healthy volunteers in a Single Ascending Dose (SAD), Multiple Ascending Dose (MAD) and food-effects study. BMB-101 was demonstrated to be safe and well tolerated at all doses. No Serious Adverse Events (SAEs) were observed, and Adverse Events (AEs) were mild in nature and in line with on-target effects for serotonergic drugs.

An extensive target-engagement study was conducted using both fluid biomarkers (transient prolactin release) and physical biomarkers (Quantitative Electroencephalogram, qEEG). Both methods confirmed robust central target engagement. A qEEG signature typicalfor anti-epileptic drugs was observed, with a selective depression of EEG power at frequencies observed during epileptic seizures. Furthermore, a potentiation of frontal gamma-power was observed in this study which could indicate the potential for improved cognition.

Phase 2 clinical trials of BMB-101 were initiated in 2024 in a group of drug-resistant epilepsies including Developmental and Epileptic Encephalopathies and Absence epilepsies.

Lead candidates in other programs include BMB-201 and BMB-202, selective 5-HT2A agonists for neuropsychiatry and neurology indications, undergoing IND-enabling studies.

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 • API Characterization (ongoing work)	• 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
		CMC studies: Drug Substance and Drug Product manufacturing Drug Substance and Drug Product stability studies	• Manufacturing of the drug substance and drug product • Assess the stability of both drug substance and product	• GMP batch manufacturing completed for both Drug substance and product • Compound is stable at room temperature and 40C • Stability studies ongoing to demonstrate 4year stability • Drug product stability studies ongoing (currently 24 months)
	-	Toxicity assessment • 28-day toxicity studies (mice and dogs) • 90-day toxicity studies (mice and dogs) • Chronic toxicity studies (6-months mice, 9-months dogs) - ongoing	• To assess safety of the test compound in 2 animal models	• 28-day tox studies completed • 90-day tox studies are completed • Chronic tox studies ongoing
	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.

Program	Indications	Study	Major Objective	Study Outcome
	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
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

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 (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
		Rodent receptor in vitro screen and 5-HTome characterisation	Assess selectivity towards other serotonin receptors	BMB compounds are highly selective and have only 5-HT2A activity Rodent receptor screen completed and demonstrated lower 5-HT2A affinity in rodent species
	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

Product	Indications	Clinical Trial	Major Objective	Outcome
		Toxicology studies: 7-days dogs and rat studies (subcutaneous injection)	• Assess potential toxicity • Complete toxicokinetics	• Drug was well tolerated at all doses, no significant adverse effects
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 (SmartCube model)	• 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
	Pain	• Preclinical Screening Platform for Pain (PSPP) - NIH collaboration (plantar incision and L5/L6 nerve ligation rat models)	• In vitro opioid & abuse liability, PK and protein binding studies • Assess effects in animal pain models	• The test compound has passed the Tier 1 and is in process of Tier 2 studies • BMB-201 significantly reduced mechanical allodynia, but not guarding behavior, in a dose-dependent manner. • In female rats, 30 mg/kg of A39a significantly reduced both mechanical allodynia and guarding behavior compared to vehicle-treated rats of the same sex. • 10 mg/kg also had a modest effect on guarding behavior in females.
		• Neuroplasticity in vitro	• Assess potential neuroplasticity inducing effects	• Test compound demonstrated neuroplasticity effects similar to BDNF in vitro
		• 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

Product	Indications	Clinical Trial	Major Objective	Outcome
		• 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 completed a Phase 1 clinical trial on its leading product candidate, 5-HT_{2C} agonist, as follows:

Product	Indications	Clinical Trial	Major Objective	Outcome
BMB-101	Undisclosed Seizure Disorder	Phase 1 SAD, MAD and Food Effects	• Safety, PK/PD and Exploratory Effect markers	• Based on safety results, BMB-101 was safe and well-tolerated by healthy subjects. • The maximum tolerated dose of BMB-101 in this study was determined to be 180 mg/70 kg in the SAD study and 150 mg/ 70 kg. bid in the MAD study. • Plasma pharmacokinetics indicated a plasma half-life of 5-7 hrs compatible with twice a day dosing. • Prolactin and qEEG changes were indicative of central target engagement of central 5-HT2c receptors by BMB-101.
	Absence Epilepsy and DEE	BREAKTHROUGH Study: A Phase 2 Trial of BMB-101 in Absence Epilepsy and Developmental Epileptic Encephalopathy	• Assess the safety, tolerability and efficacy of BMB-101	• Ongoing study NCT06401538

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:

- **Developmental and Epileptic Encephalopathy/Epilepsy.** UCB, Jazz Pharmaceuticals, H. Lundbeck A/S, Biocodex, Xenon Pharmaceuticals, Praxis Therapeutics, SK Life Science, Marinus Pharmaceuticals, Ovid Therapeutics, Supernus Pharmaceuticals, Harmony Biosciences, Takeda Pharmaceuticals, Eisai

- **Antidepressants and anxiolytics.** AbbVie Inc., AstraZeneca, Bristol-Myers Squibb, Eli Lilly and Company, GlaxoSmithKline, H. Lundbeck A/S, Johnson & Johnson, Merck, Novartis, Otsuka Pharmaceutical, Pfizer Inc., Sanofi, Takeda Pharmaceutical Company Ltd.

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 5, 2023, US 63/338,842 expired without further public disclosure. On May 8, 2023, Bright Minds filed a United States provisional application that has been assigned a serial number of US 63/464,749; US 63/464,749 includes subject matter that was previously recited in US 63/338,842 and US 63/184,040 and US 63/017,627; on May 8, 2024, US 63/464,749 expired without further public disclosure. On May 9, 2024, Bright Minds filed a United States provisional application that has been assigned a serial number of US 63/645,025; US 63/645,025 includes subject matter that was previously recited in US 63/464,749.

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. PCT/CA2022/050833 has entered the national/regional phase in the United States of America (assigned application number 18/562,587), Canada (assigned application number 3,219,940), Japan (assigned application number 2023-573064), the European Union (assigned application number 22810004.6), South Korea (assigned application number 10-2023-7044608), and China (assigned application number 202280052820.8).

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 January 4, 2023, Bright Minds filed a Patent Cooperation Treaty patent application that claims priority to US 63/296,430 and US 63/422,730. Such Patent Cooperation Treaty patent application has been assigned a serial number of PCT/CA2023/050003. PCT/CA2022/050003 has entered the national/regional phase in Canada (assigned application number 3,242,928), the United States of America (assigned application number 18/726,389), Australia (assigned application number 2023205941), Japan (assigned application number 2024-540591), the European Union (assigned application number 23736951.7), South Korea (assigned application number 10-2024-7026278), and China (assigned application number 202380022140.6).

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. On May 2, 2023, Bright Minds filed a Patent Cooperation Treaty patent application that claims priority to US 63/338,889. Such Patent Cooperation Treaty patent application has been assigned a serial number of PCT/CA2023/050595. PCT/CA2023/050595 has entered the national/regional phase in Canada (assigned application number 3,252,369), Japan (application number to be assigned), Australia (assigned application number 2023264112), the United States of America (assigned application number 18/863,516), and the European Union (assigned application number 23799069.2). Bright Minds also intends for PCT/CA2023/050595 to enter the national phase in China, and the deadline to enter the Chinese national phase is January 6, 2025.

Bright Minds is currently listed as an applicant in the following matters:

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
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	European Union	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
PCT/CA2023/050003	PCT	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	January 4, 2023 (claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
18/562,587	USA	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.	November 20, 2023 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
3,219,940	Canada	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.	November 21, 2023 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending
2023-573064	Japan	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.	November 24, 2023 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending
22810004.6	European Union	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.	November 29, 2023 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
10-2023-7044608	South Korea	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.	December 22, 2023 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending
202280052820.8	China	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.	January 26, 2024 (national phase entry of PCT/CA2022/050833 having an international filing date of May 25 2022, which claims priority to US 63/193,062 filed May 26, 2021 and US 63/309,735 filed February 14, 2022)	Pending
63/645,025	USA	Heterocyclic Compounds and Methods of Preparation Thereof	Werner TUECKMANTEL; Alan KOZIKOWSKI;	Bright Minds Biosciences Inc.	May 9, 2024	Pending
3,242,928	Canada	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	July 2, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
18/726,389	USA	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	July 2, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
2023205941	Australia	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	July 2, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
2024-540591	Japan	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	July 3, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
23736951.7	European Union	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	August 2, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
10-2024-7026278	South Korea	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	August 5, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
202380022140.6	China	Phenethylamines and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	August 15, 2024 (national phase entry of PCT/CA2023/050003 having an international filing date of January 4, 2023, which claims priority to US63/296,430 filed January 4, 2022 and US63/422,730 filed November 4, 2022)	Pending
3,252,369	Canada	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	November 5, 2024 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending
Pending	Japan	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	November 5, 2024 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending
2023264112	Australia	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	November 6, 2024 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending

Patent Application Number	Region	Title	Inventors	Applicant	Filing Date	Status
18/863,516	USA	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	November 6, 2024 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending
23799069.2	European Union	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	November 8, 2024 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending
Pending	China	Azepinoindoles and Methods of Preparation Thereof	Alan KOZIKOWSKI; Werner TUECKMANTEL;	Bright Minds Biosciences Inc.	To be filed before January 6, 2025 (national phase entry of PCT/CA2023/050595 having an international filing date of May 2, 2023, which claims priority to US 63/338,889 filed May 6, 2022)	Pending

Trademarks

Bright Minds has the following trademark registrations:

Trademark	Country	Application Number (Registration Number)	Filing Date (Registration Date)	Status
BRIGHT MINDS	Canada	2,016,213 (TMA1202388)	2020-03-06 (2023-10-11)	Registered
BRIGHT MINDS	United States of America	90/245,748 (7,424,235)	2020-10-09 (2024-06-25)	Registered

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 NDA or BLA to the FDA

Assuming successful completion of all required preclinical studies and clinical testing in accordance with all applicable regulatory requirements, detailed IND product information is submitted to the FDA in 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.

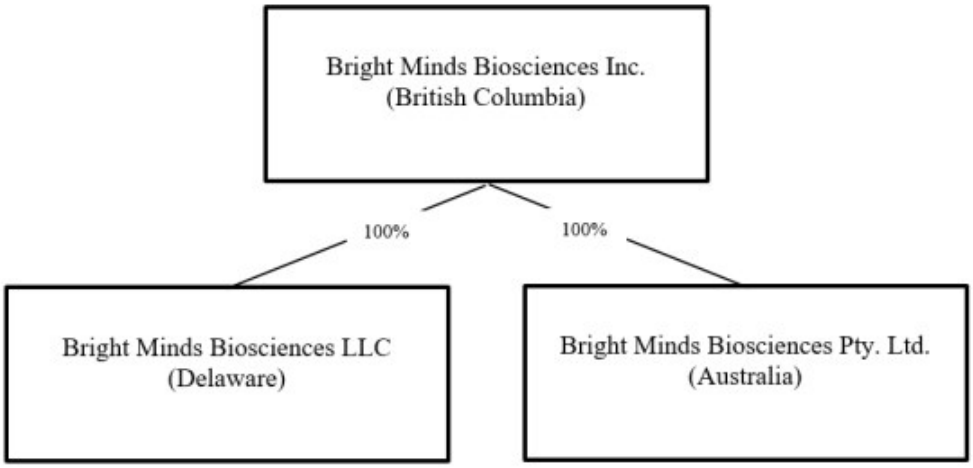
Legal Proceedings

Other than as disclosed herein, 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.

Revati Inc., on behalf of the former Chief Medical Officer of the Company, Dr. Revati Shreeniwas, filed a claim in the Supreme Court of British Columbia on April 14, 2023, claiming compensation for termination on November 23, 2022, of the CMO ICA (defined herein). The plaintiff in the proceeding claims damages for breach of contract and the value of restricted share units, additional damages arising from the termination of the CMO ICA, and other relief related to the claim for restricted share units and termination. A response to civil claim was filed on behalf of the Company on May 9, 2023, opposing all relief sought by the plaintiff. The proceeding is scheduled for trial June 23-27, 2025.

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. The Vesty Lease Agreement is now month to month until February 28, 2025, at a monthly rent of US$5,855.

The Company leases office space located at Portal Innovations, 400 N. Aberdeen St., Suite 900, Chicago, IL 60647 pursuant to a Chicago membership agreement (the "**Chicago Agreement**") between the Company and ZoE Life Fulton Labs Incubator, LLC, with an initial date of November 28, 2023, as extended on December 3, 2024. The Chicago Agreement has a term ending on December 12, 2025, and the Company pays a monthly fee of US$800.

The Company leases laboratory space located at Technology Innovation Center, 10437 W Innovation Dr, Wauwatosa, WI 53226 pursuant to a commercial laboratory lease dated May 10, 2021, as amended as of November 17, 2021, May 27, 2022, January 3, 2023, May 9, 2023, and May 6, 2024 (the "**Wisconsin Lease**") between the Company and Technology Innovation Center LLC. The Wisconsin Lease has a term ending on May 31, 2025, and the Company pays monthly rent of US$708.11.

Other than as set forth above, the Company does not own or lease any other real property and it does not own any material 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 Medical College of Wisconsin, CMAX Clinical Research, Neuroscience Trials Australia (NTA), Singota Solutions, Eurofins Advantar, Australian Epilepsy Clinical Trial Network (AECTN), Taikun Pharma and others.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

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.sedarplus.ca and www.brightmindsbio.com. We do not incorporate the contents of our website or of www.sedarplus.ca 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 $14,964,941 for the year ended September 30, 2022, $7,372,225 for the year ended September 30, 2023, and $2,801,946 for the year ended September 30, 2024, and anticipate incurring losses for the year ending September 30, 2025. We had negative operating cash flows of $1,850,186 for the year ended September 30, 2024 and anticipate negative operating cash flows during the year ended September 30, 2025. Although we had working capital surplus of $5,458,261, including cash and cash equivalents of $5,720,092, at September 30, 2024, 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, 2024 as Compared to the Year Ended September 30, 2023

Revenues

Since inception, the Company has not realized any revenue.

Operating Expenses

During the year ended September 30, 2024, the Company incurred a net loss of $2,801,946 compared to a net loss of $7,372,225 for the corresponding period in 2023. 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 $98,404 for the year ended September 30, 2024 compared to $207,390 for the year ended September 30, 2023. The decrease of $108,986 was a result of a discontinuation of services from various consultants.

Foreign exchange. Foreign exchange recovery was $9,312 for the year ended September 30, 2024 compared to $14,189 recovery for the year ended September 30, 2023. The decrease of $23,501 was a result of volatility in the foreign exchange market.

Marketing, advertising and investor relations expenses. Marketing, advertising and investor relations expenses were $41,600 for the year ended September 30, 2024 compared to $119,418 for the year ended September 30, 2023. The decrease of $77,818 was a result of the discontinuation of certain marketing and advertising activities for the year.

Office and administrative expenses. Office and administrative expenses were $264,900 for the year ended September 30, 2024 compared to $278,809 for the year ended September 30, 2023. The decrease of $14,800 was a result of fewer overhead expenditures incurred by the Company personnel.

Professional fees. Professional fees were $547,765 for the year ended September 30, 2024 compared to $437,679 for the year ended September 30, 2023. The increase of $110,086 was a result of the increased instances and business activity during the current year requiring professional services when compared to the previous year.

Regulatory and filing expenses. Regulatory and filing expenses were $197,176 for the year ended September 30, 2024 compared to $186,651 for the year ended September 30, 2023. The increase of $10,535 was a result the a slight increase in US regulatory fees due to foreign exchange volatility.

Research and development expenses. Research and development were $1,180,010 for the year ended September 30, 2024 compared to $4,999,944 for the year ended September 30, 2023. The decrease of $3,819,934 was a result of the completion of certain research and development activities in the previous year and more focused ongoing research activity.

Net Loss

As a result of the above factors, we reported a net loss for the year ended September 30, 2024 of $2,801,946, compared to a net loss of $7,372,225 for the corresponding period in 2023.

Results of Operations for the Year ended September 30, 2023 as Compared to the Year Ended September 30, 2022

Revenues

Since inception, the Company has not realized any revenue.

Operating Expenses

During the year ended September 30, 2023, the Company incurred a net loss of $7,372,225 compared to a net loss of $14,964,941 for the corresponding period in 2022. 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 $207,390 for the year ended September 30, 2023 compared to $771,329 for the year ended September 30, 2022. The decrease of $563,399 was a result of a discontinuation of services from various consultants.

Foreign exchange. Foreign exchange recovery was $14,189 for the year ended September 30, 2023 compared to $12,151 for the year ended September 30, 2022. The increaseof $2,038 was a result of volatility in the foreign exchange market.

Marketing, advertising and investor relations expenses. Marketing, advertising and investor relations expenses were $119,418 for the year ended September 30, 2023 compared to $551,864 for the year ended September 30, 2022. The decrease of $432,446 was a result of the discontinuation of certain marketing and advertising activities for the year.

Office and administrative expenses. Office and administrative expenses were $278,809 for the year ended September 30, 2023 compared to $478,248 for the year ended September 30, 2022. The decrease of $199,439 was a result of fewer overhead expenditures incurred by the Company personnel.

Professional fees. Professional fees were $437,679 for the year ended September 30, 2023 compared to $650,196 for the year ended September 30, 2022. The decrease of $212,517 was a result of the fewer instances and business activity during the current year requiring professional services in comparation to the previous year.

Regulatory and filing expenses. Regulatory and filing expenses were $186,651 for the year ended September 30, 2023 compared to $243,079 for the year ended September 30, 2022. The decrease of $56,428 was a result the non-recurring regulatory fees from the prior year listing on the Nasdaq which did not occur in the current year.

Research and development expenses. Research and development were $4,999,944 for the year ended September 30, 2023 compared to $12,180,938 for the year ended September 30, 2022. The decrease of $7,180,994 was a result of the completion of certain research and development activities in the current year.

Net Loss

As a result of the above factors, we reported a net loss for the year ended September 30, 2023 of $7,372,225, compared to a net loss of $14,964,941 for the corresponding period in 2022.

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 $2,801,946 during the year ended September 30, 2024, and had a cash and cash equivalents balance and a working capital surplus of $5,720,092 and $5,458,261, respectively, as at September 30, 2024. 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, 2024, the Company had 4,524,087 issued and outstanding shares and 6,046,251 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 $5,458,261, of working capital surplus as at September 30, 2024, compared to $6,531,803 of working capital surplus as at September 30, 2023. The decrease in working capital resulted from decreased capital raises in the fiscal year ended September 30, 2024.

In the opinion of management of the Company, due in part to the completion of a non-brokered private placement for USD$35,000,000 in November 2024 and additional exercises of convertible securities such as options and warrants, the Company’s working capital is sufficient for the Company to fulfill its current business objectives.

Capital Resources

As at September 30, 2024, the Company had cash of $5,720,092 (September 30, 2023: $6,747,986). 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, 2024, 2023, and 2022:

Drug Portfolio	For the year ended September 30, 2024	For the year ended September 30, 2023	For the year ended September 30, 2022
	$	$	$
5-HT_{2A}	410,140	832,621	2,165,206
5-HT_{2C}	494,013	3,485,285	8,412,193
5-$HT_{2C/A}$	275,857	682,038	1,603,539
TOTAL	1,180,010	4,999,944	12,180,938

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.

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	Nil	Nil	Nil	Nil	Nil
Operating Lease Obligations	118,960	79,384	39,576	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	118,960	79,384	39,576	Nil	Nil

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, Dubai, UAE	37	President, Chief Executive Officer and Director	May 31, 2019
Ryan Cheung, British Columbia, Canada	46	Chief Financial Officer	May 29, 2020
Dr. Mark Smith, Elkton, MD	69	Chief Medical Officer	December 1, 2022
Nils Christian Bottler(1)(2)(3)(4), Berlin, Germany	37	Director	September 29, 2020
Jeremy Fryzuk(1)(2)(3)(4), London, UK	39	Director	September 29, 2020
Dr. Jan Pedersen, Soborg, Denmark	60	Director and Chief Scientific Officer	April 27, 2022 (Director) June 26, 2022 (Interim Chief Scientific Officer) September 22, 2022 (Chief Scientific Officer)
David Weiner(1)(2)(3)(4), New York, USA	60	Director	February 16, 2023

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, CSE 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. 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.

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.

David Weiner, Director

Dr. Weiner has over 25 years of experience in the discovery and clinical development of novel therapeutics for neurological, psychiatric and rare diseases. He began his career at ACADIA Pharmaceuticals, where he held a series of discovery research and clinical development roles working on multiple central nervous system (CNS) therapeutics, most notably pimavanserin, a 5-HT2A receptor inverse agonist, which is approved for the treatment of Parkinson's disease psychosis. Dr. Weiner also served as the Chief Medical Officer (CMO) and Interim Chief Executive Officer (CEO) for Proteostasis Therapeutics, CMO at aTyr Pharma and Lumos Pharma, CEO at Amathus Therapeutics, and as an independent board member and senior executive at Eleusis, a company focused on therapeutic development of psychedelics and novel 5-HT2A receptor agonists. He has authored more than 30 scientific publications and patents and serves on multiple clinical and scientific advisory boards, including the Michael J. Fox Foundation for Parkinsons Research. He received his M.D. from the School of Medicine and Biomedical Sciences, SUNY at Buffalo, was a Howard Hughes Medical Institute Research Scholar at the NIH, trained in neurology at New York Hospital, Memorial Sloan Kettering, Cornell Medical Center, and did a post-doctoral fellowship in neuropharmacology at the University of Vermont.

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.

- David Weiner;
- 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 2024 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 and the Compensation Committee. The Board and Compensation Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation Committee 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. Further, the Board believes that 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 Compensation Committee determines the compensation for the CEO and for the Company's other officers. In each case, the Compensation Committee takes into consideration the executive's performance in light of established goals and objectives, 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.

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 Compensation Committee 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 Compensation Committee 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 Compensation Committee 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

The Company's Compensation Committee reviews the Company's compensation guidelines and structure. More specifically, the Compensation Committee:

- annually reviews and approves the corporate goals and objectives with respect to compensation for the Chief Executive Officer of the Company and evaluates the Chief Executive's performance in light of these established goals and objectives. Based upon these evaluations the Compensation Committee sets the Chief Executive Officer's annual compensation, including salary, bonus, incentive and equity compensation. The Chief Executive Officer is not present when their compensation is considered or determined by the Compensation Committee;

- annually reviews and approves the evaluation process and compensation structure for the Company's other officers including salary, bonus, incentive and equity compensation and evaluates their individual performance in light of these established goals and objectives. Based upon their evaluations the Compensation Committee set the officer's annual compensation, including salary, bonus, incentive and equity compensation. No officer may be present when their compensation is considered or determined by the Compensation Committee;

- annually reviews the Company's incentive compensation and other equity-based plans and recommends changes in such plans to the Board as needed; and

- periodically reviews and makes 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 Compensation Committee may consider appropriate.

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, 2024, September 30, 2023, or September 30, 2022.

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$)	Share based awards (C$)[1]	Equity incentive 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*	2024	Nil	213,239	Nil	Nil	Nil	Nil	Nil	213,239
	2023	Nil	626,178	Nil	Nil	Nil	Nil	Nil	626,178
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Cheung[3] *CFO*	2024	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2023	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2022	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
Jan Pedersen[4] *Chief Science Officer*	2024	243,300	205,283	Nil	Nil	Nil	Nil	Nil	448,583
	2023	243,550	556,174	Nil	Nil	Nil	Nil	Nil	799,724
	2022	174,215	46,529	Nil	Nil	Nil	Nil	Nil	220,744
Mark Smith[5] *Chief Medical Officer*	2024	279,119	Nil	128,805	Nil	Nil	Nil	Nil	407,924
	2023	272,946	Nil	177,975	Nil	Nil	Nil	Nil	450,921
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revati Shreeniwas[6] *Former Chief Medical Officer*	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	58,900	Nil	Nil	Nil	Nil	Nil	Nil	58,900
	2022	383,850	123,052	Nil	Nil	Nil	Nil	Nil	506,902

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 5 to our financial statements for our fiscal year ended September 30, 2024. Share based awards represent the fair value of RSUs granted in the year. The fair of RSUs granted is calculated on the grant date closing value.
(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. Pedersen was engaged as Interim Chief Science Officer of the Company on June 26, 2022 and permanent Chief Science Officer on September 22, 2022.
(5) Dr. Smith was appointed Chief Medical Officer on December 1, 2022.
(6) 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

Executive Compensation Agreements

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 September 22, 2022 between the Company and a corporation controlled by Dr. Jan Pedersen engaging the services of Dr. Pedersen as Chief Science Officer of the Company for compensation of US$15,000 per month. 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 and shareholder approval for the continuation of the Option Plan and RSU Plan on March 24, 2023.

The following table sets forth details of the Company's equity compensation plan information as at the financial year ended September 30, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options and settlement of outstanding RSUs (a)[1]	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))
Equity compensation plans approved by securityholders	340,400 (Options) 192,000 (RSUs)	$7.76 (Options/RSUs)	112,008 (Options) 260,408 (RSUs)
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	340,400 (Options) 192,000 (RSUs)		112,008 (Options) 260,408 (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, 2024, for any NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date m - d - y	Value of unexercised in-the-money options[(1)] ($)
Mark Smith *Chief Medical Officer*	45,000	$8.25	12-01-2027[(3)]	Nil

Notes

(1) The value is the difference between the closing price of $1.47 per Common Share on the CSE at September 30, 2024 and the exercise price of the options.
(2) Options were granted on November 17, 2020.
(3) Options were granted on December 1, 2022.

Outstanding Share-Based Awards

The following table sets out share-based awards outstanding as at September 30, 2024, 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 ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Ian McDonald	60,000	105,000	105,000
Jan Pedersen *Chief Science Officer*	85,000	148,750	148,750

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, 2024, 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
Jan Pedersen	Nil	Nil	Nil

Director Compensation for Fiscal 2024

The following table sets forth all compensation for services as a director to the Company during the fiscal years ended September 30, 2024, 2023, and 2022 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 ($)	Share- based Awards[1] ($)	Equity Incentive Awards[1] ($)	All Other Compensation ($)	Total Compensation ($)
Ian McDonald	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
Nils Christian Bottler	2024	Nil	Nil	17,891	Nil	17,891
	2023	Nil	Nil	7,685	Nil	7,685
	2022	Nil	Nil	23,900	Nil	23,900
Jeremy Fryzuk	2024	Nil	Nil	17,891	Nil	17,891
	2023	Nil	Nil	7,685	Nil	7,685
	2022	Nil	Nil	23,900	Nil	23,900
Dr. Alan Kozikowski[2]	2024	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A
	2022	188,850	Nil	Nil	Nil	188,850
Dr. Emer Leahy[3]	2024	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	(58,132)	Nil	(58,132)
Jan Pedersen[4]	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
Douglas Williamson[5]	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	(63,241)	Nil	Nil	(63,241)
	2022	Nil	63,241	Nil	Nil	63,241
David Weiner[6]	2024	Nil	Nil	39,488	Nil	39,488
	2023	Nil	Nil	22,039	Nil	22,039
	2022	Nil	Nil	Nil	Nil	Nil

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 5 to our financial statements for our fiscal year ended September 30, 2024. Share based awards represent the fair value of RSUs granted in the year. The fair of RSUs granted is calculated on the grant date closing value.

(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 and resigned as a director effective January 9, 2023.

(6) David Weiner was appointed a director on February 16, 2023.

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, 2024, 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 ($)**	**Option expiration date mm - dd - yyyy**	**Value of unexercised in-the-money options[(1)] ($)**
Jeremy Fryzuk	16,000 20,000	$6.25 $1.84	11-17-2025[(2)] 03-22-2029[(4)]	$Nil $Nil
Nils Bottler	16,000 20,000	$6.25 $1.84	11-17-2025[(2)] 03-22-2029[(4)]	$Nil $Nil
David Weiner	16,000	$5.25	02-16-2028[(3)]	$Nil

Notes

(1) The value is the difference between the closing price of $1.47 per Common Share on the CSE at September 30, 2024 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, 2023.

Outstanding Share-Based Awards

There are no share-based awards outstanding as at September 30, 2024 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, 2024, 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	213,239	Nil
Jeremy Fryzuk	17,891	Nil	Nil
Nils Bottler	17,891	Nil	Nil
David Weiner	39,488	Nil	Nil

Clawback Policy

On December 1, 2023, the Board adopted a Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation (the "**Clawback Policy**") providing for the recovery of certain incentive-based compensation from current and former executive officers of the Company in the event the Company is required to restate any of its financial statements filed with the SEC under the Exchange Act in order to correct an error that is material to the previously-issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. Adoption of the Clawback Policy was mandated by new Nasdaq listing standards introduced pursuant to Exchange Act Rule 10D-1. The Clawback Policy is in addition to Section 304 of the Sarbanes-Oxley Act of 2002 which permits the SEC to order the disgorgement of bonuses and incentive-based compensation earned by a registrant issuer's chief executive officer and chief financial officer in the year following the filing of any financial statement that the issuer is required to restate because of misconduct, and the reimbursement of those funds to the issuer. A copy of the Clawback Policy was filed as Exhibit 97.1 to the Company's Annual Report on Form 20-F for the Company's financial year ended September 30, 2023, as filed with the SEC on December 29, 2023.

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 Exhibits 1.1 and 1.2, respectively, to our registration statement on Form 20-F as filed with the SEC on June 17, 2021 and 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 David Weiner, 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, 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 David Weiner. 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), David Weiner 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), David Weiner 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 30, 2024, the Company has no employees, and operated solely through the use of our consultants and independent contractors. However, the Company's wholly-owned subsidiary, Bright Minds Biosciences LLC, has one employee.

The Company has entered into a 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.

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 currently hold an aggregate of 361,765 warrants exercisable into common shares of the Company.

F. Disclosure of Action to Recover Erroneously Awarded Compensation

Not applicable.

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 20, 2024 by: (a) each stockholder who is known to us to own beneficially 5% or more of our outstanding Common Shares; (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[(3)], Chief Executive Officer, President and Director	1,364,900	19.53%
Ryan Cheung, Chief Financial Officer	Nil	0%

Name	Common Shares of the Company Beneficially Owned [1]	Percentage of Common Shares Beneficially Owned[2]
Jeremy Fryzuk[4], Director	219,549	3.14%
Nils Bottler[5], Director	25,000	0.36%
Jan Torleif Pedersen[6], Chief Science Officer and Director	35,000	0.50%
David Weiner[7], Director	8,000	0.11%
Mark Smith[8], Chief Medical Officer	45,000	0.64%
Alex Vasilkevich[9], Chief Operating Officer, VP Corporate Development	84,500	1.21%
Directors and Executive Officers as a Group (8 persons)	**1,781,949**	**25.50%**
Other 5% or more Shareholders:		
Cormorant Asset Management	1,059,331	15.16%
Dr. Alan Kozikowski	480,500	6.88%

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 20, 2024.

(2) The percentage is calculated based on 6,988,989 Common Shares that were outstanding as of December 20, 2024.

(3) Shares beneficially owned consist of (i) 974,900 Common Shares held directly by Mr. McDonald, (ii) warrants to purchase 360,000 Common Shares, and (iii) 30,000 restricted share units to acquire 30,000 Common Shares which have vested.

(4) Shares beneficially owned consist of (i) 193,549 Common Shares held directly by Mr. Fryzuk, and (ii) stock options to purchase 26,000 Common Shares which have vested.

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

(6) Shares beneficially owned consist of 35,000 Common Shares held directly by Mr. Pedersen.

(7) Shares beneficially owned consist of stock options held directly by Mr. Weiner to purchase 8,000 Common Shares which have vested.

(8) Shares beneficially owned consist of 45,000 stock options held directly by Mr. Smith to purchase 45,000 Common Shares which have vested.

(9) Shares beneficially owned consist of (i) 19,750 Common Shares held directly by Mr. Vasilkevich, and (ii) stock options to purchase 64,750 Common Shares which have vested

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

As at December 20, 2024, there were 132 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. Jan Pedersen

On September 22, 2022, the Company entered into an independent contractor agreement with (the "**Pedersen ICA**") whereby the consultant Torleif Science ApS, an individual consulting business controlled by Dr. Jan Pedersen, pursuant to which Dr. Jan Pedersen was engaged to serve as the Company's Chief Science Officer. For the provision of services, the contractor will be compensated US$15,000 per month, and the contractor also received a US$45,000 signing bonus. The services will continue for an initial term of one year unless sooner terminated. The Pedersen ICA can be terminated by the Company providing five working days' written notice, the contractor providing two weeks' written notice or by mutual written agreement. At the end of the initial term, the Pedersen ICA will automatically be extended for additional one-year period(s) unless the Company provides contractor with 30 days written notice.

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.

Alex Vasilkevich

The Company has an arrangement with Alex Vasilkevich whereby Mr. Vasilkevich carries out duties as the Chief Operating Officer of the Company for an annual salary of US$104,000. In addition, the Company also agreed to reimburse Mr. Vasilkevich for reasonable and approved expenses arising in connection with the performance of the services.

Karl Deisseroth

On April 11, 2022, the Company entered into a scientific advisory board agreement with Karl Deisseroth pursuant to which the Company will pay Mr. Deisseroth a monthly fee of US$4,167 and issued an aggregate 5,000 common shares (the "**Payment Shares**") in the capital of the Company at a fair market value of $5.45 per share (total fair market value of $27,250). The Payment Shares were issued in escrow and will be released to Mr. Deisseroth over a period of four years commencing on March 8, 2023.

Director Indemnity Agreements

The Company entered into several director indemnity agreements (the "**DIAs**") with the directors of the Company. Pursuant to the DIAs and subject to all applicable laws, including the applicable limitations and restrictions set forth in the BCBCA, the Company will:

- indemnify and save harmless the directors against and from (a) 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; and (b) 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;

- 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.

C. <u>Interests of Experts and Counsel</u>

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, 2024, 2023, and 2022 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, other than as disclosed below 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.

Revati Inc., on behalf of the former Chief Medical Officer of the Company, Dr. Revati Shreeniwas, filed a claim in the Supreme Court of British Columbia on April 14, 2023, claiming compensation for termination on November 23, 2022, of the CMO ICA (defined herein). The plaintiff in the proceeding claims damages for breach of contract and the value of restricted share units, additional damages arising from the termination of the CMO ICA, and other relief related to the claim for restricted share units and termination. A response to civil claim was filed on behalf of the Company on May 9, 2023, opposing all relief sought by the plaintiff. The proceeding is scheduled for trial June 23-27, 2025.

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 CSE 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.

C. Material Contracts

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:

- The Company has entered into the Pedersen ICA dated September 22, 2022, pursuant to which Dr. Jan Pedersen was engaged to serve as the Company's Chief Science Officer.

- The Company has entered into the Smith ICA dated December 1, 2022, pursuant to which Dr. Mark A. Smith was engaged as the Company's Chief Medical Officer.

- The Company has entered into a 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.

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 Canada 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 Canada Act for a non-resident 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 Canada 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 Canada Act. If an investment by a non-Canadian to acquire control over an existing Canadian business that is not a Canadian "cultural business" is reviewable under the Investment Canada Act, the Investment Canada 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. For investments in Canadian "cultural businesses" that are reviewable, the Minister of Canadian Heritage is responsible for reviewing the investment to confirm it is likely to be of net benefit to Canada. We do not believe that the Company is a Canadian cultural business as the term "cultural business" is defined in the Investment Canada Act.

A non-Canadian would acquire control of our Company for the purposes of the Investment Canada 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 2024, this amount is CAD$1.326 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$1.989 billion for 2024); each year, 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 Canada Act because of the perceived sensitivity of the cultural sector.

In 2009, amendments were enacted to the Investment Canada Act concerning investments by non-Canadians that may be considered injurious to national security, including acquisitions of Canadian businesses, establishing new Canadian businesses, minority investments in Canadian businesses and investments in entities carrying on operations in Canada that are not businesses. 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 Canada Act.

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

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 concurrently: (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 property" (as defined in the Tax Act), "timber resource property" (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.sedarplus.ca. 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 and cash equivalents balance. As at September 30, 2024, the Company had cash and cash equivalents of $5,720,092 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, 2024, the Company had the following foreign currency balances - cash (US$519,407 and AU$1,100,705), receivables (AU$32,691), prepaids (AU$205,386 and US$19,469) and accounts payable and accrued liabilities (EU 9,525, US$71,364 and AU$283,818). A 10% fluctuation in the US$ and AU$ against the Canadian dollar would have an impact of approximately $160,000 on comprehensive income (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, 2024, the Company had cash and cash equivalents of $5,720,092 to cover current liabilities of $449,299. Subsequently, the Company has completed a $35,000,000 private placement pursuant to which 1,612,902 common shares in the capital of the Company were distributed at a price of $21.70 per Common Share, and additionally has increased the amount of cash on hand through the exercise of convertible securities of the Company, including warrants and options.

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, 2024.

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 of September 30, 2024. 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, 2024.

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, 2024. 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, 2024.

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, 2024, 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 David Weiner, 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, 2024 and 2023:

	Year Ended September 30	
	2024	**2023**
Audit Fees:	$59,250	$64,000
Audit Related Fees:	$-	$-
Tax Fees:	$2,500	$2,300
Total:	$61,750	$66,300

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 Listing 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 Listing 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 Listing Rule 5635 requires shareholder approval for issuances of common shares, or any securities convertible or exercisable into common shares:

(a) in connection with the acquisition of the stock or assets of another company

(i) where, due to the present or potential issuance of common shares (including shares issued pursuant to an earn-out or similar type of provision, or securities convertible into or exercisable for common shares) other than a public offering for cash:

(A) the common shares constitute or will upon issuance constitute at least 20% of the voting power outstanding before the issuance of the common shares (or, if applicable before the issuance of the securities convertible into or exercisable for common shares); or

(B) the common shares constitute or will upon issuance constitute at least 20% of the number of common shares outstanding before the issuance; or

(ii) if any director, officer or Substantial Shareholder (as defined by Rule 5635(e)(3) of the NASDAQ Listing Rules) of the listed company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the target company or assets to be acquired, or in the consideration to be paid in the transaction or series of related transactions, and the present or potential issuance of common shares, or securities convertible into or exercisable for common shares, could result in an increase of 5% or more in the outstanding common shares or voting power of the listed company; and

(b) where the issuance or potential issuance will result in a change of control of the listed company.

The Company intends to follow the 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 intends to follow 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 asset purchase (whether for cash or securities), take-over (either a formal or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12-month period at least 50% of the issuer's:

(a) assets or resources are expected to be comprised of,

(b) anticipated revenues are expected to be derived from, or

(c) expenditures and management time and effort will be devoted to the assets, properties businesses or other interests that are the subject of such transaction, 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, a distribution resulting in new shareholders holding greater than 50% of the voting securities of the issuer, or otherwise may be determined through a change in voting control of the issuer or a substantial change of the management or the board of directors of the issuer.

Further, the policies of the Canadian Securities Exchange require securityholder approval of an acquisition if:

(a) the total number of securities issuable (on a fully-diluted basis):

(i) is more than 50% of the total number of securities or votes of the issuer outstanding (on a non-diluted basis) accompanied by a new control person, or 100% of the total number of securities outstanding; or

(ii) would, as determined by the issuer or the Canadian Securities Exchange, materially affect control of the issuer.

NASDAQ Listing Rule 5635(c) also requires shareholder approval prior to the issuance of securities when a stock option or purchase plan is established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, except for:

(a) warrants or rights issued generally to all security holders of the listed company or stock purchase plans available on equal terms to all security holders of the listed company (such as a typical dividend reinvestment plan);

(b) tax qualified, non-discriminatory employee benefit plans (e.g., plans that meet the requirements of Section 401(a) or 423 of the Internal Revenue Code) or parallel nonqualified plans, provided such plans are approved by the listed company's independent compensation committee or a majority of the listed company's independent directors; or plans that merely provide a convenient way to purchase shares on the open market or from the listed company at market value;

(c) plans or arrangements relating to an acquisition or merger as permitted under IM-5635-1; or

(d) issuances to a person not previously an employee or director of the listed company, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with the listed company, provided such issuances are approved by either the listed company's independent compensation committee or a majority of the listed company's independent directors. Promptly following an issuance of any employment inducement grant in reliance on this exception, a listed company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

The Company intends to follow 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 which provide that an issuer must obtain securityholder approval for rolling/evergreen security based compensation plans (a) with three years after the institution of such plan, and (b) within every three years thereafter. The Company also intends to follow 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, as follows:

(a) options granted to persons performing investor relations services cannot exceed 2% of the outstanding number of listed securities in any 12-month period; and

(b) the issuance of equity compensation securities cannot result in the issuance of greater than 5% of the issued and outstanding shares (at the time of adoption) to an individual, or 10% in total in the following 12 months, without first obtaining shareholder approval.

NASDAQ Listing Rule 5635(d) also requires shareholder approval where there is a transaction other than a public offering (as defined in NASDAQ IM-5635-3), involving the sale, issuance or potential issuance by the listed company of common stock (or securities convertible into or exercisable for common stock), which alone or together with sales by officers, directors or Substantial Shareholders of the listed company, equals 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance (a "**20% Issuance**")at a price less than the lower of (the "**Minimum Price**"):

(a) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) immediately preceding the signing of the binding agreement; or

(b) the average Nasdaq Official Closing Price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of the binding agreement.

The Company intends to follow British Columbia corporate and securities laws, which do not require shareholder approval of 20% Issuances at a price that is less than the Minimum Price. In addition, the Company intends to follow the Canadian Securities Exchange policies which permit private placements of an issuer's securities to be issued at a price per security lower than the greater of:

(a) $0.05; and

(b) the closing market price of the security on the Canadian Securities Exchange on the trading day prior to the earlier of the dissemination of a news release disclosing the private placement or the posting of notice of the proposed private placement, less a discount which shall not exceed the maximum permitted discount, as follows (the "**Maximum Permitted Discount**"):

(i) 25% for securities with a closing price of up to CAD$0.50;

(ii) 20% for securities with a closing price between CAD$0.51 to CAD$2.00; and

(iii) 15% for securities with a closing price above CAD$2.00.

However, the policies of the Canadian Securities Exchange require securityholder approval of a proposed securities offering (by way of prospectus or by private placement) if:

(a) the number of securities issued in the offering (on a fully-diluted basis) is more than 50% of the total number of securities or votes of the issuer outstanding (on a non-diluted basis) accompanied by a new control person, or 100% of the total number of securities outstanding;

(b) the price is lower than the market price less the Maximum Permitted Discount; or

(c) the issuer or the Canadian Securities Exchange otherwise determine that the transaction will materially affect control of the issuer.

Quorum Requirement

NASDAQ Listing 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 listed company's common voting stock. The Company will not follow this NASDAQ Listing Rule. Instead, the Company intends to comply 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

Under NASDAQ Listing Rule 5605(b)(2), a listed company must have regularly scheduled meetings at which only independent directors are present ("**executive sessions**"). The rule contemplates that executive sessions will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings. Under applicable Canadian rules, customs and practice, the Company's independent directors are not required to hold executive sessions. However, since the Company's common shares are listed for trading on NASDAQ, 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

Under NASDAQ Listing Rule 5620(b), a listed company that is not a limited partnership must 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

Under NASDAQ Listing Rule 5250(d)(1), a listed company shall make available to shareholders an annual report containing audited financial statements of the listed 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. A listed company may comply with this requirement either:

(a) by mailing the report to the shareholders;

(b) by satisfying the requirements for furnishing an annual report contained in Rule 14a-16 under the Act; or

(c) by posting the annual report to shareholders on or through the listed company's website, along with a prominent undertaking in the English language to provide shareholders, upon request, a hard copy of the listed company's annual report free of charge. A listed company that chooses to satisfy this requirement pursuant to this paragraph (c) must, simultaneous with this posting, issue a press release stating that its annual report has been filed with the SEC (or other regulatory authority). This press release shall also state that the annual report is available on the listed company's website and include the website address and that shareholders may receive a hard copy free of charge upon request. A listed company must provide such hard copies within a reasonable period of time following the request.

In addition, under NASDAQ Listing Rule 5250(d)(4)(A), each listed 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 listed 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 intends to comply with NASDAQ Listing 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 file 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.sedarplus.ca, 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.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

On June 13, 2021, the Company adopted its Security Trading and Reporting Guidelines which sets forth guidelines that apply to directors, officers and employees of the Company and its subsidiaries. There are also specific guidelines that apply to directors and officers, as follows:

- Directors and officers should obtain pre-clearance for all trading activities from the Chair of the Board of Directors or the Chief Financial Officer of the Company. This pre-clearance is intended to provide an additional review of current business initiatives to ensure that trading does not occur while material non-public information exists.

- Directors and officers must report all trading in securities to the Chief Financial Officer within 24 hours of the transaction taking place. Trading includes purchase and sale of securities, exercise of options, and transfer of securities.

- The Chief Financial Officer has been given power of attorney for the filing of all insider trading reports with the appropriate securities regulators within prescribed filing timelines on behalf of the directors and officers.

A copy of the Security Trading and Reporting Guidelines was filed as Exhibit 16.1 to the Company's Annual Report on Form 20-F for the Company's financial year ended September 30, 2023, as filed with the SEC on December 29, 2023.

Additionally, on December 20, 2024, the Board adopted its Insider Trading, Reporting and Blackout Policy. The new Insider Trading, Reporting and Blackout Policy combines and updates certain of the Company's existing insider trading and related reporting and blackout provisions previously provided for in certain of the Company's existing corporate governance materials and including, without limitation, the Company's existing Securities Trading and Reporting Guidelines. The Insider Trading, Reporting and Blackout Policy governs the purchase, sale and/or other dispositions of securities by directors, officers and employees of the Company and its subsidiary companies that are designed to promote compliance with insider trading laws and rules and regulations as part of the Company's commitment to ethical and lawful business conduct. Each director, officer and employee of the Company is expected to review and to comply with the terms of the Insider Trading, Reporting and Blackout Policy

A copy of the Insider Trading, Reporting and Blackout Policy is attached as Exhibit 15.5 to this Annual Report on Form 20-F.

ITEM 16K. CYBERSECURITY

The Company recognizes the importance of effective information security management and strives to maintain the confidentiality, integrity and availability of information within the information technology ("**IT**") network and infrastructure (the "**Cyberspace**"). The Board is committed to ensuring that risks to the confidentiality, integrity or availability of Company-owned information assets are managed appropriately by implementing an information security risk management approach. On December 20, 2024, the Board adopted its Cybersecurity Policy.

Risk Management and Strategy

Managing Material Risks & Integrated Overall Risk Management

The Company has developed and maintained policies, procedures and controls to mitigate material risks from cybersecurity threats. Further, the Company has strategically integrated cybersecurity risk management into its broader risk management framework to promote awareness and attention to cybersecurity risk management Company wide. These risks are evaluated on an ongoing basis as part of the Company's overall risk management strategy that is monitored and tracked by the Audit Committee.

Engage Third-Parties on Cyber-Risk Management

The Company has engaged third-parties that supply IT services or have access to the Company's systems or data to adhere to the Company's security policies. These third parties provide detailed information on their established security controls via the Company's risk assessment process. Specific certification may be required of critical third-party IT service providers. The Company will consider resource and capital constraints when determining the nature and timing of enhancing our cybersecurity infrastructure.

Overseeing Risks stemming from Third-Party Service Providers

The Company maintains internal protocols to mitigate cybersecurity threats associated with the Company's third-party service providers. The Company is currently enhancing these protocols to further strengthen its defenses and reduce potential vulnerabilities.

Risks from Cybersecurity Threats

The Company does not currently identify any major cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company (including the Company's business strategy, results of operations or financial condition).

Governance

Board Oversight

The Board recognizes the importance of information security and mitigating cybersecurity and other data security threats and risks as part of its efforts to protect and maintain the confidentiality and security of the Company's employees, service providers, consultants and business associates, as well as non-public information about the Company. Although our full Board has ultimate responsibility with respect to risk management oversight, the Audit Committee is charged with and bears primary responsibility for, among other matters, overseeing risks specific to the identification and mitigation of cybersecurity risks.

Management's Role Managing Risk

The Company's management team facilitates an environment whereby managing cybersecurity risk is accepted as the personal responsibility of each member of the Company. Management undertakes the following roles and responsibilities as appropriate and as operationally feasible:

(a) Management (Awareness and Training Program, Knowledge and Talent Management, and Background Screening);

(b) Finance (Identity Theft Red Flags and Funds Transfer Safeguarding); and

(c) Clinical Trials (Confidential Information and Compliance Related to Patient Data)

A copy of the Cybersecurity Policy is attached as Exhibit 15.6 to this Annual Report on Form 20-F.

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.

Bright Minds Biosciences Inc.

Consolidated Financial Statements

For the years ended September 30, 2024, 2023, and 2022

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2024 and 2023, and the related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years ended September 30, 2024, 2023 and 2022, 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, 2024 and 2023, and the results of its operations and its cash flows for the years ended September 30, 2024, 2023 and 2022, in conformity with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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

Vancouver, Canada
December 24, 2024

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

As at	Notes	**September 30, 2024**	September 30, 2023
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	8	**5,720,092**	6,747,986
Sales tax receivable		**50,224**	36,981
Prepaids		**216,628**	27,692
		5,986,944	6,812,659
Non-Current Assets			
Right-of-use asset	10	**117,658**	66,413
TOTAL ASSETS		**6,104,602**	6,879,072
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	4,6	**449,299**	207,307
Lease liability - current portion	10	**79,384**	73,549
		528,683	280,856
Non Current Liabilities			-
Lease liability - non current portion	10	**39,576**	-
TOTAL LIABILITIES		**568,259**	280,856
Shareholders' equity			
Share capital	5	**35,423,371**	33,914,308
Pre-funded warrants	5	**455,573**	831,834
Reserves	5	**4,006,368**	3,399,097
Deficit		**(34,348,969)**	(31,547,023)
TOTAL SHAREHOLDERS' EQUITY		**5,536,343**	6,598,216
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,104,602**	6,879,072

Nature and continuance of operations (Note 1)
Contractual obligations (Note 7)
Subsequent events (Note 12)

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)

For the years ended	Notes	September 30, 2024	September 30, 2023	September 30, 2022
		$	$	$
EXPENSES				
Consulting fees	5	98,404	207,390	771,329
Directors' compensation	5,6	493,793	1,156,523	99,438
Foreign exchange		9,312	(14,189)	(12,151)
Marketing, advertising, and investor relations		41,600	119,418	551,864
Office and administrative	10	264,009	278,809	478,248
Professional fees	6	547,765	437,679	650,196
Regulatory and filing		197,186	186,651	243,079
Research and development	5,6,9	1,180,010	4,999,944	12,180,938
Loss before other items		**(2,832,079)**	**(7,372,225)**	**(14,962,941)**
Other items				
Impairment of intangible assets		-	-	(2,000)
Interest income		30,133	-	-
Net and comprehensive loss		**(2,801,946)**	**(7,372,225)**	**(14,964,941)**
Basic and diluted loss per share		**(0.65)**	**(1.98)**	**(6.06)**
Weighted average number of common shares outstanding				
-basic		4,310,168	3,719,775	2,470,383
-diluted		4,310,168	3,719,775	2,470,383

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	Pre-funded warrants	Reserves	Deficit	Total
		$	$	$	$	$	$
Balance as at September 30, 2021	**2,366,872**	**27,080,281**	**(33,684)**	**-**	**1,565,055**	**(9,209,857)**	**19,401,795**
Private placement	571,600	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	529,960	1,653,170	-	-	-	-	1,653,170
Compensation warrants exercised	45,040	846,277	-	-	(531,000)	-	315,277
Shares issued to a consultant	5,000	27,250	-	-	-	-	27,250
Share-based compensation	-	-	-	-	875,056	-	875,056
Net loss	-	-	-	-	-	(14,964,941)	(14,964,941)
Balance as at September 30, 2022	**3,518,472**	**32,237,844**	**-**	**-**	**2,479,466**	**(24,174,798)**	**10,542,512**
Private placement - common shares	194,800	1,217,500	-	-	-	-	1,217,500
Private placement - pre-funded warrants	-	-	-	831,834	-	-	831,834
Share issue costs	-	(26,976)	-	-	-	-	(26,976)
Warrants exercised	28,800	253,440	-	-	-	-	253,440
RSUs exercised	30,000	232,500	-	-	(232,500)	-	-
Share-based compensation	-	-	-	-	1,152,131	-	1,152,131
Net loss	-	-	-	-	-	(7,372,225)	(7,372,225)
Balance as at September 30, 2023	**3,772,072**	**33,914,308**	**-**	**831,834**	**3,399,097**	**(31,547,023)**	**6,598,216**
Private placement - common shares	661,765	900,000	-	-	-	-	900,000
Pre funded warrant exercise	60,250	376,563	-	(376,261)	-	-	302
RSUs exercised	30,000	232,500	-	-	(232,500)	-	-
Share-based compensation (Note 5)	-	-	-	-	839,771	-	839,771
Net loss	-	-	-	-	-	(2,801,946)	(2,801,946)
Balance as at September 30, 2024	**4,524,087**	**35,423,371**	**-**	**455,573**	**4,006,368**	**(34,348,969)**	**5,536,343**

** On July 14, 2023, the Company completed a share consolidation on the basis of 1 new common share to 5 old common shares (Note 5). For accounting purposes, recognition of the share consolidation has been made retroactively such that all share and per share numbers have been adjusted to reflect the share consolidation.*

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 years ended	Notes	September 30, 2024	September 30, 2023	September 30, 2022
		$	$	$
Operating activities				
Net loss for the year		**(2,801,946)**	(7,372,225)	(14,964,941)
Non-cash items:				
Interest on lease liability	10	**8,945**	19,750	2,173
Depreciation - right-of-use asset	10	**73,357**	72,450	6,037
Foreign exchange		**(10,126)**	45,348	(258,824)
Share-based compensation	5	**839,771**	1,152,131	875,056
Shares recorded as consulting fees		**-**	-	27,250
Impairment of intangible assets		**-**	-	2,000
Changes in non-cash operating working capital items:				
Sales tax receivable		**(13,243)**	77,537	(4,372)
Other receivable		**-**	41,261	(41,261)
Prepaids		**(188,936)**	136,737	3,778
Accounts payable and accrued liabilities		**241,992**	(1,197,254)	765,988
Net cash used in operating activities		**(1,850,186)**	(7,024,265)	(13,587,116)
Financing activities				
Private placement proceeds	5	**900,000**	1,217,500	4,034,884
Finder's fees		**-**	-	(539,329)
Share issue costs		**-**	(26,976)	(260,650)
Pre-funded warrant proceeds		**-**	831,834	-
Pre funded warrant exercise proceeds		**302**	-	-
Warrant exercise proceeds		**-**	253,440	1,653,170
Compensation warrant exercise proceeds		**-**	-	315,277
Principal portion of lease liability	10	**(89,730)**	(86,112)	(7,162)
Net cash from financing activities		**810,572**	2,189,686	5,196,190
Change in cash and cash equivalents		**(1,039,614)**	(4,834,579)	(8,390,926)
Effect of foreign exchange on cash		**11,720**	(45,348)	258,824
Cash and cash equivalents, beginning of year		**6,747,986**	11,627,913	19,760,015
Cash and cash equivalents, end of year		**5,720,092**	6,747,986	11,627,913
SUPPLEMENTARY INFORMATION				
Fair value of RSUs exercised		**232,500**	232,500	-
Fair value of options issued as a finder's fees		**-**	-	39,355

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, 2024, the Company is not able to finance day to day activities through operations and has incurred a loss of $2,801,946 for the year ended September 30, 2024. The Company has a deficit of $34,348,969 since inception and negative operating cash flows. As at September 30, 2024, the Company has working capital of $5,458,261 (September 30, 2023 - $6,531,803). 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.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance
These consolidated financial statements have been prepared in accordance with the IFRS Accounting 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. MATERIAL ACCOUNTING POLICY INFORMATION

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 (the "Chief Executive Officer") 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

Foreign currency translation
The functional currency of the Company, 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.

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;

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- 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 expenditures 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, 2024 and 2023, the Company has not recognized any internally-generated intangible assets.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

Investment tax credits
Investment tax credits under the Australian government's Research and Development Tax Incentive program are recorded using the cost reduction approach based on IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Investment tax credits related to current research and development expenses are included in the consolidated statements of comprehensive loss as a reduction of expenses.

Investment tax credits arising on qualified expenditures are recognized when there is reasonable assurance that the credits will be realized. The investment tax credits are subject to audit by taxation authorities and the actual amount may change depending on the outcome of an audit.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

Accounting Standards, Amendments and Interpretations

The following amendments were adopted by the Company on October 1, 2023:

a) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

b) Definition of Accounting Estimates (Amendments to IAS 8) - the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

There was no impact on the Company's consolidated financial statements upon the adoption of these amendments.

Accounting Pronouncements Not Yet Adopted

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.
These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	September 30, 2023
	$	$
Accounts payable	**407,548**	182,307
Accrued liabilities	**41,751**	25,000
Total accounts payable and accrued liabilities	**449,299**	207,307

5. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

On July 14, 2023, the Directors of the Company approved the consolidation of the Company's issued and outstanding common shares on a 5:1 basis. All common shares, stock options, restricted share units and warrant references in these consolidated financial statements reflect the effect of the share consolidation.

Issued share capital for the year ended September 30, 2024

On December 22, 2023, the Company issued 661,765 Units of the Company at a price per unit of $1.36 for aggregate gross proceeds of $900,000. Each Unit is comprised of one common share and one common share purchase warrant ("Warrant") of the Company. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of $1.70 per share until December 22, 2028.

On December 13, 2023, 30,000 RSUs were exercised and $232,500 was reclassified from reserves to share capital upon the exercise.

During the year ended September 30, 2024, 60,250 pre funded warrants ("PFWs") were exercised for gross proceeds of $302. $376,261 was reclassified from pre-funded warrants to share capital upon the exercise. Each PFW was exercised into one common share and one warrant of the Company.

Issued share capital for the year ended September 30, 2023

On December 2, 2022, the Company issued 133,200 PFWs of the Company at a price per PFW of $6.245 and 194,800 Units of the Company at a price per Unit of $6.25 for aggregate gross proceeds of $2,049,334. Each PFW is exercisable into one Unit at an exercise price of $0.005 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 warrant of the Company. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of $6.75 per share until December 2, 2024.

The PFWs are classified as a component of permanent shareholders' equity because they are freestanding financial instruments that are legally detachable and separately exercisable from the Units with which they were issued, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permit the holders to receive a fixed number of common shares upon exercise. In addition, such PFWs do not provide any guarantee of value or return. The Company valued the PFWs at issuance, concluding that their sales price approximated their fair value, and a total of $831,834 is recorded to the PFWs.

On March 10, 2023, 30,000 RSUs were exercised and $232,500 was reclassified from reserves to share capital upon the exercise.

During the year ended September 30, 2023, an aggregate of 28,800 warrants were exercised for gross proceeds of $253,440.

5. SHARE CAPITAL (continued)

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$4,167 and issued an aggregate 5,000 common shares (the "Payment Shares") in the capital of the Company at a fair market value of $5.45 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 7).

On August 30, 2022, the Company issued 571,600 Units of the Company at a price per unit of $7.00 for aggregate gross proceeds of $4,001,200. Each Unit is comprised of one common share and one warrant of the Company. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of $8.80 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 26,808 Units of the Company at a per unit price of $7.00 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 18,232 Units of the Company at a per unit price of $7.00 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, 45,040 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, 529,960 warrants priced at $0.25, $8.80, and $47.30 per unit were exercised for gross proceeds of $1,653,170.

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 570,560 common shares of the Company and 389,600 warrants (exercised on April 23, 2021), being an aggregate of 960,160 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:

- 96,016 - on the date that the Company's shares are listed on the CSE (February 8, 2021); and
- 144,024 - 6, 12, 18, 24, 30 and 36 months after the listing date.

As at September 30, 2024, all common shares are released from escrow.

5. SHARE CAPITAL (continued)

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, 2024

On March 22, 2024, the Company granted 130,000 options to the directors and consultants of the Company. The options have an exercise price of $1.84 per share, expire on March 22, 2029 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: $1.84; ii) share price: $1.80; iii) term: 5 years; iv) volatility: 122.84%; v) discount rate: 3.48%; and dividends: nil.

Options granted during the year ended September 30, 2023

On December 1, 2022, the Company granted 60,000 options to the Chief Medical Officer of the Company. The options have an exercise price of $8.25 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. The fair value of these stock options was measured using the Black Scholes option pricing model using the following inputs: i) exercise price: $8.25; ii) share price: $7.75; iii) term: 5 years; iv) volatility: 141.61%; v) discount rate: 3.05%; and dividends: nil.

On December 1, 2022, the Company and a consultant mutually agreed to cancel 16,000 options that were previously granted on April 28, 2021.

On February 16, 2023, the Company granted 47,000 options to the consultants and a director of the Company. The options have an exercise price of $5.25 per share, expire on February 16, 2028 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: $5.25; ii) share price: $4.85; iii) term: 5 years; iv) volatility: 135.92%; v) discount rate: 3.45%; and dividends: nil.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

The following table summarizes the movements in the Company's outstanding stock options for the years ended September 30, 2024 and September 30, 2023:

	Number of options		Weighted average exercise price
Balance at September 30, 2022	**183,161**	**$**	**18.20**
Granted	107,000	**$**	6.93
Cancelled[1], [2]	(78,000)	**$**	20.52
Balance at September 30, 2023	**212,161**	**$**	**11.65**
Granted	130,000	$	1.84
Expired	(1,761)	$	38.20
Balance at September 30, 2024	**340,400**	**$**	**7.76**

(1) *30,000 and 16,000 options were forfeited 90 days after the termination of the services of a former Chief Medical Officer and a director of the Company.*

As at September 30, 2024, the options have a weighted average remaining life of 3.13 years (September 30, 2023 - 3.28).

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)**
November 17, 2025	71,400	71,400	$6.25	1.13
April 28, 2026 [2]	16,000	12,000	$38.00	1.58
June 15, 2026	16,000	12,000	$38.00	1.71
December 1, 2027	60,000	15,000	$8.25	3.17
February 16, 2028	47,000	11,750	$5.25	3.38
March 22, 2029	130,000	32,500	$1.84	4.48

(2) On December 1, 2022, the Company and a consultant mutually agreed to cancel 16,000 options, and an additional 16,000 options were cancelled on the retirement of a consultant (Note 7).

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 December 1, 2022, the Company issued 220,000 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. The estimated fair value of these RSUs is $1,705,000 and will be recognized as an expense over the vesting period of the RSUs.

On April 27, 2022, the Company issued 20,000 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.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

On February 4, 2022 and February 11, 2022, the Company issued 5,000 RSUs and 7,000 RSUs, respectively. These RSUs vest on an annual basis over a period of four years. The estimated fair value of these RSUs is $181,250 and will be recognized as an expense over the vesting period of the RSUs.

The following table summarizes the movements in the Company's outstanding RSUs for the years ended September 30, 2024 and September 30, 2023:

	Number of RSUs		Weighted average exercise price
Balance at September 30, 2022	**108,000**	**$**	**13.15**
Granted	220,000	$	7.75
Exercised	(30,000)	$	7.75
Forfeited*	(76,000)	$	6.25
Balance at September 30, 2023	**222,000**	**$**	**10.89**
Exercised	(30,000)	$	7.75
Balance at September 30, 2024	**192,000**	**$**	**11.38**

** On November 23, 2022, 76,000 RSUs were forfeited on the termination of the services of former Chief Medical Officer of the Company.*

As at September 30, 2024, the RSUs have a weighted average remaining life of 3.06 years (September 30, 2023 - 4.07 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)**
February 1, 2027	5,000	2,500	$15.25	2.34
February 1, 2027	7,000	3,500	$15.00	2.34
April 27, 2027	20,000	10,000	$38.20	2.57
December 1, 2027	160,000	50,000	$7.75	3.17

The weighted average share price of RSUs exercised during the years ended September 30, 2024 and September 30, 2023 are detailed below:

Exercise date	Exercise price	Number of RSUs exercised	Weighted average share price on exercise date
March 10, 2023	$7.75	30,000	$3.60
December 13, 2023	$7.75	30,000	$1.97

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

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

	For the year ended:		
	September 30, 2024	September 30, 2023	September 30, 2022
	$	$	$
Stock options	**386,975**	50,350	643,911
Restricted share units - equity settled grants	**452,796**	1,101,781	231,145
Total equity settled share-based compensation expense	**839,771**	1,152,131	875,056
Restricted share units - cash settled grants	**-**	-	-
Total share-based compensation expense	**839,771**	1,152,131	875,056

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

	For the year ended:		
	September 30, 2024	September 30, 2023	September 30, 2022
	$	$	$
Consulting fees	**47,861**	43,736	3,858
Directors' compensation	**493,793**	1,156,523	99,438
Research and development	**298,117**	(48,128)	771,760
Total share-based compensation expense	**839,771**	1,152,131	875,056

Warrants

The following table summarizes the movements in the Company's outstanding warrants for years ended September 30, 2024 and September 30, 2023:

	Number of warrants		Weighted average exercise price
Balance at September 30, 2022	**881,520**	$	23.89
Issued	194,800		6.75
Exercised	(28,800)		8.80
Balance at September 30, 2023	**1,047,520**	$	21.12
Issued	722,015		2.12
Expired	(852,720)		24.40
Balance at September 30, 2024	**916,815**	$	3.10

On August 30, 2022, the Company granted 45,040 compensation warrants at an exercise price of $7.00 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: $7.00; ii) share price: $14.65; iii) term: 2 years; iv) volatility: 147.31%; v) discount rate:3.63%; and dividends: nil.

As at September 30, 2024, the warrants have a weighted average remaining life of 3.10 (September 30, 2023 - 0.80) years.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

The following table summarizes the warrants issued and outstanding:

	Warrants Outstanding		
Expiry Date	**Number of warrants**	**Exercise price**	**Remaining life (Years)**
December 2, 2024	194,800	$ 6.75	0.17
December 2, 2024	60,250	$ 6.75	0.17
December 22, 2028	661,765	$ 1.70	4.23

6. 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, 2024 was $61,061 (September 30, 2023 - $51,480) owing to the officers and directors of the Company and the companies controlled by these 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, 2024	**September 30, 2023**	**September 30, 2022**
	$	$	$
Professional fees	**120,000**	120,000	144,000
Research and development	**522,419**	575,396	572,700
Consulting fees	**-**	-	174,215
Share-based compensation included in directors' compensation	**493,793**	1,156,523	99,438
Share-based compensation included in research and development	**128,805**	32,390	123,052
	1,265,017	1,884,309	1,113,405

See Note 7 for related party contractual obligations.

7. 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 12,600 common shares of the Company were issued to the University;

- *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 (paid);
    - 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 (paid);
    - $50,000 upon dosing the first patient in the first Phase II trial (paid subsequent to September 30, 2024);
    - $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.

7. 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

The Company entered into several director indemnity agreements (the "DIAs") with the directors 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:

- 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 Deisseroth pursuant to which the Company will pay Deisseroth a monthly fee of US$4,167 and issued an aggregate 5,000 Payment Shares in the capital of the Company (see Note 5).

7. CONTRACTUAL OBLIGATIONS (continued)

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 60,000 options with an exercise price of $8.25 per share (see Note 5).

On September 22, 2022, the Company entered into an ICA whereby the contractor was engaged to serve as the Chief Science Officer of the Company effective September 22, 2022. The Company agreed to pay a signing bonus of US$45,000 (paid) upon the execution of the ICA and a fee of US$180,000 annually, payable in monthly installments in addition to 100,000 RSUs (issued) for a period of five years, 25% vesting immediately, and 75% vesting over the next 3 years.

The Company has an arrangement with an ICA whereby the contractor carries out duties as the Chief Operating Officer for an annual salary of US$104,000. In addition, the Company also agreed to reimburse for reasonable and approved expenses arising in connection with the performance of the services.

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 26,000 stock options to the advisors as part of the Company's November 17, 2020 and April 28, 2021 grant of options of which 4,000 options were cancelled on January 21, 2021. In addition, the Company granted 12,000 RSU's to the advisors of the Company on February 4, 2022 and February 11, 2022 (see Note 5). 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.

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 60,400 stock options to six advisors as part of the Company's November 17, 2020 and April 28, 2021 grant of options of which 32,000 options were cancelled on December 1, 2022 and January 30, 2023 (see Note 5). 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.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

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

	September 30, 2024	September 30, 2023
FVTPL	**$**	$
Cash	**5,633,842**	6,661,736
Guaranteed investment certificate	**86,250**	86,250
Cash and cash equivalents	**5,720,092**	6,747,986
Amortized cost		
Accounts payable and accrued liabilities	**449,299**	207,307

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, 2024, 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, 2024, the Company had cash and cash equivalents of $5,720,092 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, 2024, the Company had the following foreign currency balances - cash (US$519,407 and AU$1,100,705), receivables (AU$32,691), prepaids (AU$205,386 and US$19,469) and accounts payable and accrued liabilities (EUROS9,525, US$71,364 and AU$283,818). A 10% fluctuation in the US$ and AU$ against the Canadian dollar would have an impact of approximately $160,000 on comprehensive income (loss).

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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, 2024, the Company had cash and cash equivalents of $5,720,092 to cover current liabilities of $449,299.

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 period ended September 30, 2024.

9. RESEARCH AND DEVELOPMENT

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

	For the year ended:		
	September 30, 2024	**September 30, 2023**	September 30, 2022
	$	$	$
Laboratory costs	**21,105**	23,718	146,649
Novel drug development	**611,785**	3,961,781	8,557,000
Patents and related payments	**101,615**	92,500	73,645
Salary and subcontractors	**1,167,305**	1,317,405	2,631,884
Share-based compensation (see Note 5)	**298,117**	(48,128)	771,760
Investment tax credits	**(1,019,917)**	(347,332)	-
	1,180,010	4,999,944	12,180,938

Investment tax credits under the Australian government's Research and Development Tax Incentive program have been recorded as a reduction of research and development expenses in the period received.

10. PREMISES LEASES

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. 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. Commencing September 1, 2024, the Company further extended the lease for six months at a monthly base rent of US$5,855 and the company intends to further extend the lease of an additional year at a monthly lease rate of US$6,190.

(Expressed in Canadian Dollars)

10. PREMISES LEASES (continued)

(a) Right-of-Use Assets

As at September 30, 2024, $117,658 of right-of-use assets are recorded as follows:

	$
As at September 30, 2022	138,863
Depreciation	(72,450)
As at September 30, 2023	66,413
Extension of lease	124,506
Depreciation	(73,357)
Foreign exchange	96
As at September 30, 2024	117,658

(b) Lease Liabilities

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

	Year ended September 30, 2024	**Year ended September 30, 2023**
Undiscounted minimum lease payments:	$	$
Less than one year	98,010	80,509
Two to three years	41,779	-
	139,789	80,509
Effect of discounting	(20,829)	(6,960)
Present value of minimum lease payments	118,960	73,549
Less current portion	(79,384)	(73,549)
Long-term portion	39,576	-

(c) Lease Liability Continuity

The lease liability continuity is as follows:

	$
As at September 30, 2022	139,911
Cash flows:	
Principal payments	(66,362)
As at September 30, 2023	73,549
Recognition of lease liability on extension	124,506
Principal payments	(89,730)
Interest expense	8,945
Foreign exchange	1,690
As at September 30, 2024	118,960

During the year ended September 30, 2024, interest of $8,945 and depreciation of $73,357 is included in the office and administrative expense on the consolidated statements of comprehensive income (loss).

(Expressed in Canadian Dollars)

11. INCOME TAXES

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

	September 30, 2024	September 30, 2023	September 30, 2022
	$	$	$
Net loss	**(2,801,946)**	(7,372,225)	(14,964,941)
Statutory tax rate	**25.98%**	27.74%	27.26%
Expected income tax recovery	**(727,974)**	(2,044,920)	(4,079,645)
Deductible and non-deductible items	**(81,243)**	201,236	21,093
True up of prior year amounts	**634,727**	336,254	-
Change in deferred tax assets not recognized	**174,490**	1,507,430	4,058,552
Total income tax recovery	**-**	-	-

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

	September 30, 2024	September 30, 2023
	$	$
Non-capital losses	**30,757,000**	29,301,000
Share issue costs	**698,000**	1,225,267
Valuation allowance	**(31,455,000)**	(30,526,267)
Net deferred income tax assets	**-**	-

The Company has Canadian non-capital losses of approximately $28,598,000 (2023 - $25,650,000), US non-capital losses of $ 718,000 (2023 - $370,000) and Australian non-capital losses of $1,441,000 (2023- $3,281,000), 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	8,096,000
2022	2042	12,832,000
2023	2043	4,278,000
2024	2044	3,052,000
		28,598,000

12. SUBSEQUENT EVENTS

On November 4, 2024, the Company closed a non-brokered private placement of 1,612,902 common shares for gross proceeds of US$35,000,000.

On October 3, 2024, the Company granted 70,000 options to a consultant and directors of the Company. The options have an exercise price of $1.65 per share, expire on October 3, 2029 and vest as follows: 50% immediately, 25% on the first anniversary of the grant date; and 25% on the second anniversary of the grant date.

Subsequent to September 30, 2024, 792,000 options, warrants, and pre-funded warrants, were exercised for gross proceeds of $3,519,452, and 60,000 RSUs were converted to shares.

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	Scientific Advisory Board Agreement with Jianmin Duan dated April 21, 2021[(1)+]
4.2	Option Agreement dated May 26, 2020 between the Company and the Board of Trustees of the University of Illinois.[(2)+]
4.3	Exclusive License Agreement dated April 23, 2021 between the Company and the Board of Trustees of the University of Illinois.[(1)+]
4.4	Independent Contractor Agreement with Dr. Jan Pedersen dated September 22, 2022[*+]
4.4	Independent Contractor Agreement with Dr. Mark A. Smith dated December 1, 2022[(3)+]
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)
15.4	Security Trading and Reporting Guidelines(3)
15.5	Insider Trading, Reporting and Blackout Policy*
15.6	Cybersecurity Policy*
97.1	Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation(3)
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.

(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.

(3) Filed as an exhibit to our annual report on Form 20-F as filed with the SEC on December 29, 2023, 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 30, 2024

By: */s/ 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, 2024, we had 4,524,087 common shares issued and outstanding.

As of December 30, 2024, we had 6,988,989 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.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

BRIGHT MINDS BIOSCIENCES INC.
INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (the "**Agreement**") is dated effective as of September 22, 2022,

BETWEEN:

BRIGHT MINDS BIOSCIENCES INC., a company with its registered address at 19 Vestry St, New York, NY 10013, USA (the "**Company**")

AND:

Torleif Science ApS, Jan Torleif Pedersen, an individual consulting business 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 the terms and conditions provided herein

NOW THEREFORE THIS AGREEMENT WITNESSES that for 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 Schedule A (the "**Services**"). In connection with that:

(a) the Contractor will perform all Services as an independent contractor, and not as an employee, agent, partner, or joint venture;

(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; 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 such POCI form an integral part of the Contractor's restrictions and obligations hereunder, and are hereby incorporated by reference and constitute material terms of this Agreement.

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. 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 statues 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 Schedule A, 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 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 Contractor uses Personnel, the Contractor shall be responsible for all of the acts and omissions of its Personnel, as if the things such Personnel 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 contractor, the Contractor does not have any authority to legally bind the Company or the Group for any reason. To the extent that the Contractor has another role with the Company (such as director), any authority conferred thereunder 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, their 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 during the term of this Agreement, provided that such activity does not cause a breach of this Agreement, including Section 4.1.

1.9 Insurance. During the term of this Agreement, and for a reasonable period of time thereafter, the Contractor will obtain, maintain, and provide proof (upon the Company's request from time to time) commercially adequate policies of insurance covering the performance of Services under this Agreement. If Schedule A 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 Schedule A.

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**. If applicable, the Contractor will advise the Company of the Contractor's sales or service tax number (to be indicated on each invoice) and the Contractor will be responsible for collecting from the Company (and remitting) all applicable excise, sales, goods and services, and use taxes imposed by any federal, provincial, municipal, or other governmental authority (each, an "**Applicable Tax**") on the Services. The Contractor will be responsible for any error or omission of Applicable Taxes on any invoice and will indemnify and hold harmless the Company for any liability the Company incurs as a result of such error or omission (including penalties and interest). If the Contractor is or becomes exempt from collecting any Applicable Tax from the Company (such as, for example, if the Contractor is a "small supplier" for the purposes of the *Excise Tax Act* (Canada)), the Contractor will notify the Company and provide evidence of such exemption that is satisfactory to the Company, acting reasonably.

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 Schedule A, unless terminated earlier:

(a) "****"

(i) "****"

(ii) "****"

(iii) "****"

(iv) "****"

(b) "****"

(c) "****"

(d) "****"

3.2 Effect of Termination. "****"

(a) "****"

(b) "****"

(c) "****"

3.3 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, or in any other manner whatsoever), during the term of this Agreement and for a period of two years thereafter:

(a) *Non Compete* - carry on, engage in, or be concerned with or interested in any business that is, or has any interest in any business that is, similar to or competitive with the business of discovery and development of novel chemical entities towards approved pharmaceuticals anywhere in the world, provided that, notwithstanding this the Contractor may purchase or hold securities of any company (including any competitive company) in aggregate representing no more than 2% of the votes and equity attached to all issued securities of that company;

(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 defend, indemnify, and hold harmless the Group and their respective directors, officers, employees, representatives, and agents for any claims, actions, losses, expenses, costs, or damages of every nature and kind howsoever arising out of or related to any:

(a) breach of Part 4;

(b) breach of the POCI;

(c) claim by a third party that 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 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 prevents the Company from terminating this Agreement in accordance with Sections 3.1(a)(iii) and 3.1(a)(iv).

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 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, to the address as follows or to another address as notified hereunder from time to time:

to the Company:	**to the Contractor:**
BRIGHT MINDS BIOSCIENCES INC. 19 Vestry St, New York, NY 10013, USA	**Torleif Science ApS**

Attention: Ian McDonald	Attention: Jan Torleif Pedersen
Email: Ian@brightmindsbio.com	Email: jan@brightmindsbio.com
Telephone: 647 407 2515	Telephone: (45) 26 78 84 46

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. The Company may assign this Agreement without the Contractor's consent. Any purported transfer or assignment without such consent will be null and void. This Agreement will enure to the benefit of and be binding upon the parties hereto, their respective successors, heirs, representatives, administrators and permitted assigns.

6.8 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.

6.9 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.

6.10 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.

6.11 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: *"Ian McDonald"*
Authorized Signatory
Name: Ian McDonald
Title: CEO

Torleif Science ApS, Jan Torleif Pedersen

"Jan Torleif Pedersen"	September 22, 2022
Signature of Contractor	*Date of Signature*

Name : Jan Torleif Pedersen, Title: Owner Torleif Science ApS, CSO Bright Minds Biosciences

SCHEDULE A
SERVICES

A1. **Services (Scope of Work)**. The Services will generally consist of acting as Chief Science Officer for the Company, which involves development of scientific strategy, and leading and managing daily research business at Bright Minds Biosciences. The Services will also include such other services and duties as may be reasonably requested by the Company from time to time.

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

A3. **Insurance**. Without limiting Contractor's obligation to have commercially reasonable insurance, the insurance 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**. "****"

A6. **Fees**. The Contractor will provide the Services and be compensated "****"

A7. **Vacation**. The Contractor may take up to two-week vacation at a time, provided such time is previously approved by the Company and at a time when the Services are not required by the Company. The Contractor shall have a total of twenty-two days' vacation per year, in addition to statutory holidays in Canada, unless otherwise expressly agreed by the Company.

A8. **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 22 day of September , 2022.

JAN TORLEIF PEDERSEN

"Jan Torleif Pedersen"
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: *"Ian McDonald"*
Authorized Signatory
Name: Ian McDonald
Title: CEO

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 30, 2024

/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 30, 2024

/s/ Ryan Cheung
Name: Ryan Cheung
Title: Chief Financial 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, 2024 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 30, 2024 *<u>/s/ Ian McDonald</u>*
Name: Ian McDonald
Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: December 30, 2024 *<u>/s/ Ryan Cheung</u>*
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.

BRIGHT MINDS BIOSCIENCES INC.
(the "**Corporation**")

INSIDER TRADING, REPORTING AND BLACKOUT POLICY

This Insider Trading, Reporting and Blackout Policy (the "**Policy**") should be read in conjunction with each of the Corporation's current Securities Trading and Reporting Guidelines and Corporate Disclosure Policy.

Purpose

The purpose of this Policy is to further explain certain legal concepts with respect to trading in the Securities of the Corporation by certain individuals who are either employed by or in a particular relationship with the Corporation.

It is illegal for any director, officer or employee of the Corporation or any subsidiary of the Corporation to trade in the Securities of the Corporation while in the possession of material non-public information concerning the Corporation. It is also illegal for any director, officer or employee of the Corporation to give material non-public information to others who may trade on the basis of that information. In order to comply with applicable securities laws governing (i) trading in Corporation Securities while in the possession of material non-public information concerning the Corporation, and (ii) tipping or disclosing material non-public information to outsiders, and in order to prevent the appearance of improper trading or tipping, the Corporation has adopted this Policy for all of its directors, officers and employees, members of their families and others living in their households, and investment partnerships and other entities (such as trusts and companies) over which such directors, officers or employees have or share voting or investment control.

It is the personal duty of each of directors, senior officers and other insiders of the Corporation to file insider reports following any trade or other change in holdings of Securities of the Corporation (including the exercise of any options) in accordance with securities laws. Directors, officers and employees are also responsible for ensuring compliance by their families and other members of their households and entities over which they exercise voting or investment control. This Policy applies to any and all transactions in the Corporation's Securities, including its common shares and options to purchase common shares, warrants and any other type of securities that the Corporation may issue in the future or derivative instruments in such securities.

Any breach of this Policy is a serious offense which may lead to discipline by appropriate regulatory authorities, including possible fines and imprisonment. Any failure to adhere to the requirements specified herein also constitute grounds for immediate dismissal with cause from the Corporation.

This Policy provides a general explanation of the corporate governance requirements of a public company, like the Corporation, as well as the insider trading rules and insider reporting requirements under applicable securities laws and legislation in Canada and the United States. Each director, officer and employee is expected to review the enclosed materials and agrees to comply with the terms of this Policy. Any questions on this policy should be directed to the Corporation's Chief Financial Officer.

Overview of Insider Trading Provisions under Securities Laws

Securities laws generally prohibit persons "in a special relationship" with the Corporation from (i) trading in securities with the knowledge of a material fact or change concerning the Corporation which is not generally disclosed, or (ii) informing another, except in the necessary course of business, of a material fact or change concerning the reporting issuer before it is generally disclosed. Securities laws also prohibit a person or company in a "special relationship" with a reporting issuer from purchasing or selling securities of such reporting issuer with knowledge of a material fact or material change with respect to that issuer that has not been generally disclosed.

Persons in a special relationship to the Corporation include (but are not limited to):

(i) members of the Board of Directors of the Corporation (each, a "**Director**"), officers and employees of the Corporation;

(ii) directors and officers of corporations which have a significant investment (more than 10%) in the Corporation securities;

(iii) a family member who lives in the same house as a person referred to above; and

(iv) any person who learns of a material fact or material change from any person referred to above.

A "**material fact**" is a piece of information which significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Corporation securities.

"**Securities**" is broadly defined and includes common shares, debentures, puts, calls, options, derivatives (or any security the market price of which varies with the market price of the Corporation's common shares) or other right or obligation to purchase or sell securities.

Securities laws generally also provide that every person or company in a special relationship with the Corporation who purchases or sells Securities of the Corporation with the knowledge of a material fact that has not been generally disclosed, and every person who communicates knowledge of the material fact to another person or company (other than in the necessary course of business) who thereafter purchases or sells Securities of the Corporation, is liable to a fine based on profits made or losses avoided. This fine is in addition to any other remedy sought, which could include a term of imprisonment imposed for a general breach of securities law.

Insider Trading Policy

Who Is an Insider of the Corporation?

Generally speaking, every person who holds the office of manager or higher and every member of the Corporation's Board of Directors is an insider for the purposes of the insider trading rules and any employee or other person who becomes privy to a material fact which has not been generally disclosed would, for the purposes of that information, be an insider (each, an "**Insider**"). Any Insider is precluded from trading in Securities of the Corporation until the material fact has been publicly disclosed.

What is Insider Information?

As discussed above, insider information includes material facts which have not been publicly disclosed. Material facts would include (but not be limited to):

(i) information about a significant transaction (such as the purchase or sale of a division or a new financing);

(ii) financial information such as the results from the previous quarter or year which have not been released to the public;

(iii) information about a significant event (such as the release of a material acquisition or earnings update); and

(iv) other information which a reasonable person may conclude would have an impact on the price of the Corporation's Securities.

Blackout Periods

There is a mandatory two week blackout period for all employees of the Corporation prior to the release of quarterly and annual financial statements which shall continue until two trading days after the time such information has been released to the public.

No Insider should trade in Securities of the Corporation until two trading days after the issuance of any news release in which material information is conveyed. The Corporation will notify all Insiders if a blackout is in effect due to a material news release.

From time to time due to specific or anticipated events, the Corporation may feel it necessary to issue a general blackout period for a specific or indefinite period covering Insiders and all or some of its employees. The Corporation will notify Insiders and specific employees affected by a general blackout period. Additionally, an employee who is working on a particular transaction may be prohibited from selling Securities of the Corporation for an indefinite period. You will be advised if the Corporation believes that you should not trade in Securities of the Corporation as a result of your involvement in a particular transaction.

Transactions

In instances in which the Corporation is involved in a material undisclosed transaction or business or other arrangement (including proposed transactions or arrangements) with another entity, each employee, officer and director the Corporation is in a special relationship with the other entity as a result of having knowledge of a material fact or material change with respect to the other entity that has not been generally disclosed to the public and, therefore, cannot trade in securities of the other entity using knowledge or information pertaining to the transaction or arrangement and must not inform or "tip" others of any such knowledge or information, except as required in order to carry out the duties of the person's office or employment with the Company.

General

There are instances where, unexpectedly, important issues will arise that may not be disseminated to an Insider at the precise time when they occur. In such circumstances, what the Corporation must avoid is the real potential that an insider may be trading in the Corporation's Securities during a period when the Corporation is involved in either considering or attempting to resolve such issue(s). Unfortunately, the Insider's lack of specific knowledge of such issues does not preclude personal embarrassment and/or potential liability to the insider and the Corporation.

Accordingly, Insiders must inform either the Chief Executive Officer or the Chief Financial Officer in advance to any trading activity so that a determination may be made as to whether there is any corporate reason that could impact on such trading.

Preclearance

At any time outside the established blackout periods there may exist corporate information concerning an existing or potential material fact or material change that has not been publicly disclosed and which might significantly affect the price or value of the Corporation's Securities and, accordingly, any trades by a director or officer or by an employee who may have access to this information (or by any spouse or other relatives in the same household as such directors, officers or employees) must be approved in advance by the Chief Financial Officer.

Insider Trading Reports

The Corporation is subject to the securities laws of both the United States (including the United States *Securities Exchange Act of 1934*, as amended) and Canada (including the British Columbia *Securities Act*). United States and Canadian law may differ with regard to the reporting obligations of insiders. The Corporation's insiders must comply with both sets of obligations. An individual employee may be considered an "insider" under Canadian law without being an "insider" under U.S. federal law. All persons deemed to be insiders by the Corporation for securities law purposes will be notified of their status.

Insiders are required to file insider trading reports electronically with the British Columbia Securities Commission through the SEDI.ca online database for any trading activity related to Corporation's Securities, including common shares and any grant or exercise of stock options. An Insider Report must be filed (i) within two business days for EDGAR Form 4 filings, and (ii) within five calendar days for SEDI Form 55-102F6 affiliate/Insider filings immediately following any trade of Securities of the Corporation (including the purchase or sale of common shares of the Corporation or the exercise of options of the Corporation). This includes Securities of the Corporation which you directly or indirectly acquire (i.e., including through a holding company) or over which you exercise control or discretion (i.e., shares acquired by a family trust that you control).

Post-Trade Notification

If you are an Insider under securities law and make an approved trade you must contact the Corporation's Chief Financial Officer and provide the same with the following information within five calendar days of the trade. An Insider Report will be prepared and filed electronically for you unless otherwise agreed to with the Chief Financial Officer in accordance with your agreement to file yourself:

(i) your full name, address and business telephone number;

(ii) the number of Securities purchased or sold or the number of convertible securities you exercised;

(iii) the date of the trade or exercise;

(iv) the price of the Securities bought and sold in each transaction or the exercise price of the convertible security and the currency;

(v) if the Securities were indirectly acquired or are Securities acquired over which you have control or discretion, the name of the registered holder of such Securities;

(vi) if the Securities were acquired or disposed other than in the open market, the nature of the transaction; and

(vii) the number of all Corporation Securities (including convertible securities) you own after the trade.

Insiders of the Corporation are also required to update the Corporation's Chief Financial Officer of any change of name, address, relationship with the Corporation or other change in personal information so that their SEDI profile and EDGAR filing information can be updated.

Compliance Contacts

If you have any questions respecting this Policy, please contact the Corporation's Chief Financial Officer.

BRIGHT MINDS BIOSCIENCES INC.
(the "**Corporation**")

CYBERSECURITY POLICY

Purpose

The Board of Directors of the Corporation has adopted this Cybersecurity Policy (or the "**Policy**" as the context provides for) with a purpose of serving as a standard for setting, reviewing and implementing the Corporation's cybersecurity goals, objectives and targets.

The "**Corporation**" includes Bright Minds Biosciences Inc. and all of its subsidiaries. All vendors, suppliers and partners working with the Corporation are expected to comply with the principles found in this Policy as they relate to the Corporation and its businesses, and are encouraged to adopt similar policies within their own businesses.

This Policy should be read in conjunction with the Corporation's other policies which are available on the Corporation's website at https://brightmindsbio.com/

The information that exists within the information technology ("**IT**") network and infrastructure (the "**Cyberspace**") is a valuable asset of the Corporation and, therefore, benefits from protection and preservation thereof. Effective information security management is necessary for the secured sharing and protection of information within the Corporation's Cyberspace.

This Policy serves as a framework that all employees, directors and officers shall abide by to ensure that risks to the confidentiality, integrity or availability of the Corporation's assets within the Cyberspace are managed in accordance with the agreed upon cybersecurity approach. In guiding the Corporation's ongoing operation, maintenance and effective management of its cybersecurity initiatives, this Policy will detail the roles and responsibilities of key personnel, provide guidance on the initiatives necessary to meet the objectives of this Policy.

Applicability

This Policy applies to all directors, officers, employees and contractors of the Corporation and any parent, holding companies and subsidiaries regardless of the terms of their contract (collectively, "**you**"), who use the Corporation's technological devices. References in this Policy to "**we**", "**us**" or "**our**" shall be interpreted as referring to the Corporation unless the context suggests otherwise.

Policy Statement

The Corporation recognizes the importance of effective information security management and strives to maintain the confidentiality, integrity and availability of information in the Cyberspace. In aspiring to prevent, detect and respond to unauthorized and malicious attacks in the Cyberspace, the Corporation will identify, prioritize and manage dedicated efforts towards both protection of information and the minimization of risks of unauthorized and malicious access to information in the Cyberspace.

The Board of Directors of the Corporation (the "**Board of Directors**") aims to lead the Corporation in a direction that minimizes the risk of unauthorized and malicious use, disclosure, potential theft, alteration or damaging effects of the Corporation's operations while concurrently enabling the sharing of information in Cyberspace. The Board of Directors is committed to ensuring that risks to the confidentiality, integrity or availability of Corporation-owned information assets are managed and appropriately by implementing an information security risk management approach. In furthering the Corporation's mission to protect information within Cyberspace as a valuable asset, the Corporation is committed to its information security program aimed at securing the information asset of the organisation. In addition, the Corporation strives to ensure continued protection and maintenance of a secure environment for users of its Cyberspace information by aligning its information security approach. This includes reserving a right to monitor and audit network and system usage at any time for compliance reasons pursuant to this Policy. The Corporation views all reports of breaches hereunder seriously and will abide by rigorous investigation processes in the event of a breach.

Roles and Responsibilities

Committee Oversight

The Audit Committee of the Corporation (the "**Audit Committee**") will oversee this policy and will be responsible for the implementation of the Corporation's oversight, programs, procedures, and policies related to cybersecurity, cybersecurity risks, information security, and data privacy.

Management shall report to the Audit Committee on the Corporation's and its subsidiaries' strategy, risks, metrics and operations relating to cybersecurity and information security matters, including significant cybersecurity and information security-related projects and initiatives and related progress, the integration and alignment of such strategy with the Corporation's overall business and strategy, and trends that may affect such strategy or operations.

Management Oversight

Team leads from various departments of the Corporation have been identified under this Policy to report to the Corporation's Chief Operating Officer (the "**COO**") and oversee the strategy of the Corporation. While these named leaders will oversee the strategy pursuant to this Policy, cybersecurity is the responsibility of all business stakeholders and requires the cooperation and compliance of all personnel.

Employee Responsibility

All employees shall exercise professional judgement in using computing devices and network resources connected to the Cyberspace. All information, physical and intellectual properties stored on electric and computing devices or existing within the Cyberspace remain the sole property of the Corporation. Therefore, employees must neither access nor share confidential and proprietary information prior to receiving consent from management or the Corporation's directors and officers.

Employees are strictly prohibited from performing any act that would be in contrary to this Policy, including but not limited to:

- accessing data, a server or an account for any purpose other than conducting the Corporation's business in ordinary course;
- copying or distributing copyrighted material or intellectual property without prior consent;

- installing any copyrighted software without obtain approval from the Corporation's third party IT group;
- sharing passwords with other individuals or allowing others access to your accounts;
- exporting software, technical information, encryption software or technologies prior to obtaining consent from either management or the Corporation's third party IT group; and
- making fraudulent offers of products, items or services from any account that represents the Corporation.

All potential threats or loss of any Corporation device that may store confidential information must be promptly reported to the COO.

Management Responsibilities

First and foremost, the Corporation's management team shall facilitate an environment whereby managing cybersecurity risk is accepted as the personal responsibility of each member of the Corporation. Management will undertake the following roles and responsibilities as appropriate and as operationally feasible:

- Management
  - Awareness and Training Program;
  - Knowledge and Talent Management; and
  - Background Screening.
- Finance:
  - Identity Theft Red Flags
  - Funds Transfer Safeguarding
- Clinical Trials:
  - Confidential Information and Security Compliance Related to Patient Data.

Management will ensure that employees are provided with adequate resources and trainings to fully understand the guidelines and expectations for cybersecurity. Members of the management team may be asked by the COO to assist with IT security investigations in the event of a breach of this Policy. If any member of management is unaware of the best course of action in dealing with an IT-related matter, the manager shall immediately contact the Corporation's third-party IT representative. Upon becoming aware of a potential violation of this Policy or a breach of cybersecurity, the member of management must immediately document the violation and request the individual surrender possession of any devices that may have suffered a security breach.

Disclosure

Disclosure of cybersecurity and information security related matters, including material cybersecurity incidents, risk factors, risk management, governance, strategy, and other disclosures shall be provided in accordance with applicable laws and regulation. The Audit Committee shall also review the Corporation's cybersecurity-related disclosures in its Form 20-F *Annual Report*.

Regulatory Developments

The Audit Committee shall monitor, on an ongoing basis, the implementation and effectiveness of this Policy and shall, annually or otherwise when applicable, assess:

- key legislative and regulatory developments that could materially impact the Corporation's cybersecurity and digital technology strategy, operations or risk exposure;
- engagement with government agencies, industry peers, and other critical infrastructure sectors on cybersecurity and related resiliency;
- industry trends, benchmarking and best practices relating to cybersecurity and digital technology; and
- any relevant cybersecurity and digital technology metrics.

Reports to the Board of Directors

The Audit Committee shall report regularly to the Board of Directors concerning its matters covered under this Policy and advising the Board of Directors of any developments that the Committee believes should have Board of Directors' consideration. The Audit Committee shall also annually review and assess the adequacy of this Policy and recommend any proposed changes to the Board of Directors for approval.

Restrictions and Limitations

Individuals who are subject to this Policy are not limited to the restricted use of specific devices. This Policy is all encompassing and incorporates all future and personal devices that may be used to store IT and confidential information of the Corporation, including intellectual property.

Enforcement

Failure to comply with this Policy or support this Policy and the mandates herein may compromise the Corporation's information assets and cause irreparable harm to the organisation, its people, clients and digital and physical assets. For further clarity, violations of this Policy may include, but are not limited to, the conscious release of data or confidential information to unauthorized parties, conscious downloads of software or hardware that jeopardizes the security of the Corporation, and openly sharing passwords with any individual. Violations or breaches of this Policy or the associated schedules, standards or guidelines may result in suspension, discipline up to and including termination, in addition to administrative sanctions or legal actions.