Mynd Life Sciences Inc.

UNAUDITED CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED January 31, 2023 AND 2022

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2023

The accompanying unaudited condensed interim financial statements of Mynd Life Sciences Inc. (the "Company") for the three-month period ended January 31, 2023 have been prepared by, and are the responsibilty of the Company's Management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of the interim Financial statements by an entity's audior.

MYND LIFE SCIENCES INC.
Condensed Interim Consolidated Statements of Financial Position
For The Three Month Periods Ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Jan 31 2023 (Unaudited)	Oct 31 2022 (Audited)
	$	$
ASSETS		
Current Assets		
Cash	-	412
Amounts Receivable (Note 6)	142,558	128,411
Deposits (Note 7)	2,250	110,000
Total Current Assets	144,808	238,823
Long-Term		
Right of Use Assets (Note 14)	76,643	87,095
Advanced Deposits (Note 7)	300,000	300,000
Property and Equipment (Note 8)	27,309	28,201
	-	-
TOTAL ASSETS	548,760	654,119
LIABILITIES		
Current		
Cash deficiency	731	-
Amounts Payable (Note 9)	2,192,857	1,600,016
Lease Liabilities (Note 14)	47,698	45,614
Convertible Note (Note 15)	2,631,351	2,481,131
	4,872,637	4,126,761
Long Term		
Lease Liabilities (Note 14)	46,802	59,537
Total Liabilities	4,919,439	4,186,298
EQUITY		
Share capital (Note 11)	3,134,804	3,134,804
Contributed Surplus	1,192,048	1,192,048
Equity portion of convertibel note (Note 15)	131,955	131,955
Deficit	(8,829,486)	(7,990,986)
TOTAL EQUITY	(4,370,679)	(3,532,179)
TOTAL LIABILITIES AND EQUITY	548,760	654,119

Nature and continuance of operations (Note 1)
Commitments (Note 17)
Subsequent events (Note 18)

On behalf of the Board of Directors:

Signed: *"Lyle Oberg"*	Signed: *"Scott Nicoll"*
Lyle Oberg, Director and CEO	Scott Nicoll, Director

Approved and authorized by the Board on May 5, 2023

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

MYND LIFE SCIENCES INC.
Condensed Interim Consolidated Statements of
Loss and Comprehensive Loss
For The Three Month Periods Ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

	THREE MONTHS ENDED JANAURY 31	
	2023	2022
Income	-	-
Operating Expenses		
Advertising and promotion	315,000	42,961
Depreciation, right-of-use assets (Note 14)	10,452	20,444
Depreciation	892	1,174
Insurance	1,275	10,425
Interest and accretion (Note 14,15)	192,902	156,642
Office and miscellaneous	5,963	10,597
Professional fees	97,112	417,031
Rent	890	19,780
Royalty	60,000	-
Research and development	100,000	277,944
Trademark and patent expenses	21,021	-
Travel and entertainment	-	6,145
Wages	33,040	356,150
Operating expenses	**838,547**	**1,319,293**
Loss before other expenses	**(838,547)**	**(1,319,293)**
Other items		
Other Income	47	8,336
Income (loss) Before Taxes	**(838,500)**	**(1,310,957)**
Deferred tax recovery	-	-
Net and comprehensive loss for the year	**(838,500)**	**(1,310,957)**
Basic and diluted loss per common share	**(0.02)**	**(0.03)**
Weighed average number of common shares outstanding	**46,035,549**	**46,035,549**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

MYND LIFE SCIENCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For The Three-Month Periods Ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares outstanding	Amount	Contributed Surplus	Shares Issuable	Equity Portion of convertible debt	Deficit	Shareholders' equity (deficiency)
Balance at October 31, 2021	45,933,382	2,597,307	1,243,934	382,500	131,955	(4,423,664)	(67,968)
Share Issuances - Restricted Share Units (RSU)	216,580	180,628	-	-	-		180,628
Share Issuances	450,000	382,500		(382,500)			-
Share Issuance - Share based Compensation (RSU)	313,896	130,000					130,000
Issuance of common shares	-	-			-		-
Share-based compensation	-	-	-	-	-		-
Comprehensive loss for the period	-	-	-	-	-	(1,310,957)	(1,310,957)
Balance at January 31, 2022	**46,913,858**	**3,290,435**	**1,243,934**	**-**	**131,955**	**(5,734,621)**	**(1,068,297)**
Balance at October 31, 2022	46,817,182	3,134,804	1,192,048	-	131,955	(7,990,986)	(3,532,179)
Share Issuance - Restricted Share Units	-	-	-	-	-		-
Share Issuance	-	-	-	-	-		-
Share issuance - Share based Compensation (RSU)	-	-		-	-		-
Comprehensive loss for the period						(838,500)	(838,500)
Balance at January 31, 2023	**46,817,182**	**3,134,804**	**1,192,048**	**-**	**131,955**	**(8,829,486)**	**(4,370,679)**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

MYND LIFE SCIENCES INC.
Condensed Interim Statement of Cash Flows
For the Periods Ended January 31, 2023 AND 2022
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended Jan 31 2023	Three Months Ended Jan 31 2022
	$	$
CASH FLOWS FROM OPERATING ACTIVTIES		
Income (Loss) for the period	(838,500)	(1,310,957)
Items not affecting cash		
Share-based compensation	-	310,628
Depreciation, right-of-use assets	10,452	20,444
Depreciation	892	1,174
Accretion expense	150,220	118,309
Changes in non-cash working capital items		
Amounts receivable	(14,147)	(2,639)
Deposits	107,750	(987,729)
Accounts payable and accrued liabilities	597,190	115,426
	-	-
Cash Used in Operating Activities	**13,857**	**(1,735,344)**
INVESTING ACTIVITIES		
Cash obtained on amalgamation	-	-
Deposits	-	-
Lease payments	(15,000)	(30,000)
Purchase of equipment	-	13,752
Cash Used in Investing Activities	**(15,000)**	**(16,248)**
FINANCING ACTIVITIES		
Proceeds from private placement	-	-
Proceeds from Convertible Note	-	11,705
Net Cash Provided by Financing Activities	**-**	**11,705**
CHANGE IN CASH DURING THE PERIOD	(1,143)	(1,739,887)
CASH, BEGINNING OF PERIOD	412	1,899,867
CASH, END OF PERIOD	(731)	159,980
Non-cash Investing and financing activities		
Common shares issued on PMB acquisition (Note 5)		708
Common shares issued on Mystique (Note 5)		2,490,000

Supplemental disclosure with respect to cash flows (Note 15)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

1) NATURE OF OPERATIONS AND GOING CONCERN

MYND Life Sciences Inc. (the “Company”) was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia. The Company’s head office is located at 733 Finns Road, Kelowna, British Columbia, V1X 5B7 and its registered and records office is located at 666 Burrard St, Vancouver, BC V6C 2Z7.

These unaudited condensed interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries, 1253486 B.C. Ltd (“1253486”) and Pacific Myco Bioscience Ltd. (“PMB”). On November 26, 2020, the Company completed an amalgamation with Mystique Capital Corp. (“Mystique”) (“Amalgamation”). Pursuant to the Amalgamation, the shareholders of the Company and Mystique received shares of the new amalgamated entity MYND Life Sciences Inc. on a basis of one post-amalgamation common share for one pre-amalgamation common share (Note 5).

On November 5, 2020, Mystique entered into an agreement to acquire 100% of the issued shares of PMB (the “Acquisition”). The Amalgamation and Acquisition are reverse takeovers whereby, the legal subsidiary, PMB has been determined to have acquired control of Mystique, and subsequently, the Company and to be the acquirer for accounting purposes. In accordance with the principles of reverse takeover accounting, the Company will report the operations of PMB and its related historical comparatives as its continuing business, except for the legal capital shown in the consolidated statements of changes in shareholders’ equity and in Note 11, which has been adjusted to reflect the share capital of the Company.

PMB was incorporated in the Province of British Columbia on May 14, 2020, under the Business Corporations Act of British Columbia. PMB is a life science based, neuro-pharmaceutical drug development company, advancing medicines based on neuro-anti-inflammatory substances through rigorous science and clinical trials with an initial focus on major depressive disorder.

1253486 was incorporated in the Province of British Columbia, on June 16 2020, under the Business Corporations Act of British Columbia. 1253486 is a holding company and holds a cannabis license on behalf of PMB. The value of this license is nil. Subsequent to the quarter end, 1253486 was disposed (Note 18).

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company does not have any working capital and has not earned income from inception. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company’s ability to execute its business plan which will require additional financing. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to reflect these consolidated financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. At this point, the impact on the Company has been minimal.

2) BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards" ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. In preparation of these unaudited condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies disclosed in the Company's audited annual consolidated financial statements for the year ended October 31, 2022.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 5, 2023.

b) Basis of measurement

These unaudited condensed interim consolidated financial statements are a continuation of the consolidated financial statement of PMB and have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as disclosed in Note 3. The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

The preparation of these unaudited condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

c) Basis of consolidation

The unaudited condensed interim consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The parent controls a subsidiary if it has power over the investee, Is exposed, or has rights, to variable return, from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intercompany transactions and balances have been eliminated.

1253486 B. C. Ltd. Has a fiscal year end of December 31. For consolidation purposes, the financial information for 1253486 is presented as of the same date as the Company. All other subsidiaries have a reporting date identical to that of the Company. The Company has 100% ownership interest and voting power on all of its subsidiaries.

3) SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgements

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statement and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates:

i. the measurement of deferred income tax assets and liabilities; and
ii. inputs used in impairment calculations;

Significant accounting judgment:

i. the evaluation of the Company's ability to continue as a going concern;
ii. the evaluation on whether or not an acquisition of a business is considered a business combination or an asset acquisition;
iii. assessment of indications of impairment;
iv. the determination on whether R&D expenditures should be capitalized or expensed; and
v. the determination on control assessment for subsidiaries not controlled through legal ownership/

b) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

c) Financial instruments
The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL") transaction costs.

Financial assets are subsequently measured at either:

i. amortized cost;
ii. fair value through other comprehensive income ("FVTOCI"); or
iii. at fair value through profit or loss ("FVTPL").

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

	IFRS 9 Classification
Financial assets	
Cash	FVTPL
Amounts receivable	Amortized cost
Financial liabilities	
Accounts payable	Amortized cost
Lease liabilities	Amortized cost
Convertible note	Amortized cost

IFRS 9 uses an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

d) Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

e) Earnings (loss) per share
The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

f) Impairment of long-lived assets
Long-lived assets, including intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

g) Intangible assets
Intangible assets consist mainly of trademarks, pending patents and prototype development costs, including certain intellectual property. Acquired trademarks, patents and development costs are carried at cost less accumulated amortization and impairment. Intangible assets with indefinite lives are not amortized but are tested annually for impairment. Any impairment of intangible assets is recognized in the statement of operation and comprehensive loss but increases in intangible asset values are not recognized.

Estimated useful lives of intangible assets are shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

h) Research and development
Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically

and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

i) Share-based payments
Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to restricted share units are measured initially based on the fair market value of the Company's common stock as of the date of issuance. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in contributed surplus.

j) Business acquisitions
The Company assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3 Business Combinations. This assessment requires management to make judgments on whether the assets acquired, and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business and the Company obtains control of the business inputs and processes.

k) Leases
The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the original term of the lease, the quality of the underlying leased asset, and the economic environment where the leased asset is located. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option. Lease payments for short-term leases with a term of 12 months or less and leases of low-value

assets are treated as operating leases, with rent expense recognized in cost of sales or selling, general and administrative expenses on a straight-line or other systematic basis.

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are re-measured when there are changes to the lease payments, a change in lease term, a change in the assessment of an option to purchase the underlying asset, a change in expected residual value guarantee, or a change in future lease payments due to a change in index or rate tied to the payment.

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease.

Subsequent to initial measurement, the Company applies the cost model to the right-of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any re-measurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

l) Convertible debt

Convertible debentures, where applicable, are separated into their liability and equity components using the effective interest method. The fair value of the liability component at the time of the issue is determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value and the fair value of the liability component.

4) ADOPTION OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

No new accounting standards were applicable to be adopted in the 2022 fiscal year and in the current period. None of the newly issued amendments and future amendments are expected to have a significant impact on the Company's interim unaudited consolidated financial statements.

(Expressed in Canadian dollars)

5) REVERSE TAKEOVER AND AMALGAMATION TRANSACTIONS

On November 5, 2020 (the "Agreement Date"), Mystique entered into an agreement to acquire 100% of the issued and outstanding shares of PMB (the "PMB Acquisition").

The aggregate consideration for the PMB Acquisition was comprised of:

(i) 28,483,382 common shares of the Company to shareholders of PMB; and
(ii) Contingent share consideration totaling 8 million shares conditional on PMB achieving certain research and development targets.

Management has determined that the PMB Acquisition is a reverse takeover of a non-operating company whereby PMB, the legal subsidiary, has been determined to have acquired control of Mystique and is the acquirer for accounting purposes. The transaction does not constitute a business combination under IFRS 3 *Business Combinations* as Mystique, prior to the Acquisition, did not meet the definition of a business. Accordingly, the Acquisition has been accounted for as an acquisition by PMB of Mystique. In accordance with the principles of reverse takeover accounting, the Company will report the operations of PMB, and its related historical comparatives as its continuing business, except for the legal capital shown in the consolidated statements of changes in equity and in Note 11, which have been adjusted to reflect the share capital of Mystique.

The acquisition date fair value of the deemed consideration was estimated based on the net asset value of Mystique, as follows:

Consideration paid	$
Common shares deemed to be issued (7,075,000 common shares)	708
Assets (liabilities) acquired	
Right-of-use asset	170,708
Lease liability	(175,213)
Accounts payable and accrued liabilities	(22,520)
Net liabilities	(27,025)
RTO expense – Share based compensation	27,733

On November 26, 2020, the Company completed an amalgamation with Mystique. Shareholders received shares of the new amalgamated entity MYND Life Sciences Inc. on a basis of one post-amalgamation common share for one pre-amalgamation common share.

The transaction does not constitute a business combination under IFRS 3 *Business Combinations* as the former company, prior to the amalgamation, did not meet the definition of a business. Accordingly, the Acquisition has been accounted for as an acquisition by Mystique of the company's net assets. In accordance with the principles of reverse takeover accounting, Mystique will report the operations and its related historical comparatives as its continuing business.

(Expressed in Canadian dollars)

The acquisition date fair value of the deemed consideration was estimated based on the net asset value of the Company as follows:

Consideration paid	$
Common shares deemed to be issued (8,300,000 common shares)	2,490,000
Assets (liabilities) acquired	
Cash	2,279,803
Accounts payable and accrued liabilities	(3,313)
Net assets acquired	2,276,490
Amalgamation expense – Share based compensation	213,510

These common shares were valued at fair market value based on the recent equity financing.

6) AMOUNTS RECEIVABLE

	Jan 31 2023	Oct 31 2022
	$	$
Amounts receivable	-	-
GST and taxes recoverable	142,558	128,411
	142,558	128,411

7) DEPOSITS AND IP AGREEMENT

On July 15, 2020, the Company entered into an agreement with an arm's length party to acquire a patent ("Acquired Assets"). As part of the agreement, the Company shall pay the arm's length party an annual perpetual royalty equal to the greater of $600,000 or 4% of net sales of any product or service which directly or indirectly incorporates the Acquired Assets to any third party during the respective preceding calendar quarter. The royalty commences upon the Company achieving a public listing and raising an aggregate of $5,000,000 through debt or equity financing. The Company paid a non-refundable installment of $300,000 towards this commitment which has been included as advanced deposits on the consolidated statement of financial position as at October 31, 2022.

On October 26, 2021, the Company entered into an asset purchase agreement with an arm's length party to acquire the right, title, and interest in and to the intellectual property rights for the use of psychedelics to treat Dementia ("Acquired Assets") from the arm's length party.

On December 21, 2020, the Company entered into a collaborative research agreement with the University of British Columbia. Pursuant to the agreement, the Company paid $199,990 which is being amortized as a research and development expense over the term of the agreement ending December 20, 2021. As at October 31, 2021, $27,944 was included in deposits as the current portion of the unamortized balance. This balance was fully amortized during the three-month period ending January 31, 2022.

On December 3, 2021, the Company entered into a collaborative research agreement with the University of British Columbia. Pursuant to the agreement, the Company paid

(Expressed in Canadian dollars)

$1,200,000 which is being amortized as a research and development expense over the term of the agreement ending December 2, 2022. $1,100,000 has been amortized as at October 31, 2022 and $100,000 has been amortized as at January 31, 2023.

8) EQUIPMENT

	Total
Cost	$
Balance, October 31, 2022	43,900
Additions	-
Balance, January 31, 2023	43,900
Depreciation Balance, October 31, 2022	(15,699)
Depreciation	(892)
Balance, January 31, 2023	(16,591)
Balance, October 31, 2022	28,201
Balance, January 31, 2023	**27,309**

9) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31 2023	October 31 2022
	$	$
Trade accounts payable	1,233,779	710,667
Other payables	682,289	674,089
Interest payable (Note 15)	212,500	174,166
Payroll liabilities	64,289	41,094
	2,192.857	1,600,016

10) RELATED PARTY TRANSACTIONS AND BALANCES

For the three-month period ended January 31, 2023, the Company was charged $60,000 (2022 - $60,000) in management fees by the Chairman and Chief Executive Office (“CEO”) of the Company. During the period, the CEO loaned $8,200 to the Company. The loan bears no interest and is payable on demand. As at January 31, 2023 there is a balance of $478,200 (October 31, 2022 - $407,000) included in accounts payable and accrued liabilities to the CEO.

For the three-month period ended January 31, 2023, the Company was charged $60,000 (2022 - $60,000) in consulting fees by the Chief Medical Officer (“CMO”) of the Company. As at January 31, 2023, there is a balance of $252,000 (October 31, 2022 - $189,000) included in accounts payable and accrued liabilities to the CMO.

For the three-month period ended January 31, 2023, the Company was charged $20,520 (2022 - $9,000) in management fees by the Chief Financial Officer (“CFO”) of the Company. As at January 31 2023 there is a balance of $65,388 (October 31, 2022 - $43,842) included in accounts payable and accrued liabilities a company controlled by the CFO.

(Expressed in Canadian dollars)

For the three-month period ended January 31, 2023, the Company was charged $0 (2022 - $3,333) in management fees by the VP of Corporation Development of the Company. As at January 31 2023 there is a balance of $33,247 (October 31, 2022 - $43,842) included in accounts payable and accrued liabilities to the VP of Corporation Development.

Key management personnel compensation

Key management is comprised of the Company's directors and executive officers. The Company incurred the following key management compensation charges during the three-month period ended January 31, 2023 and 2022:

	2023	2022
	$	$
Salaries, bonuses, fees, and benefits	140,520	325,875
Share-based compensation	-	130,000
	140,520	455,875

11) SHARE CAPITAL

Authorized Share Capital
The Company has an unlimited number of common shares without par value authorized for issuance. As at January 31, 2022, the Company had 46,913,858 (October 31, 2021 - 45,933,382) common shares issued and outstanding.

Share Transactions
On November 9, 2020, the Company issued 2,075,000 common shares at a price of $0.05 per share for proceeds of $103,750.

As discussed in Note 5, the Company issued 15,375,000 common shares in relation to the Acquisition and Amalgamation.

On November 22, 2021, the Company issued 216,580 Restricted Share Units (equivalent to 1 common share) at a deemed price of $0.834 per share.

On December 15, 2021, the Company issued 450,000 common shares to the arm's length party at a deemed price of $0.85 per share as consideration for the Acquired Assets.

On January 31, 2022, the Company issued 313,896 Restricted Share Units (equivalent to 1 common share) of which 200,000 was issued at a deemed price of $0.15 per share and 113,896 as a deemed price of $0.878 per share.

Stock option plan
The Company has adopted a rolling incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the

(Expressed in Canadian dollars)

Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Options

On November 26, 2020, the Company granted a total of 3,430,000 incentive stock options to certain officers, directors, and other eligible persons of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of $0.30 per share.

The fair value of the options granted during the year using the Black Scholes option pricing model was $705,652 using the following assumptions: exercise price of $0.30, share price of $0.30, estimated volatility of 100%, expected life of 5 years and a risk-free rate of 0.43%.

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price $
Outstanding, October 31, 2022	3,680,000	0.29
Granted	-	-
Expired	-	-
Outstanding, January 31, 2023	3,680,000	0.29

The following summarizes information about the outstanding stock options exercisable to acquire common shares of the Company as at January 31, 2022:

Outstanding		Exercisable		
Number of options	Weighted average remaining contractual life (months)	Weighted average exercise price $	Weighted average remaining contractual life (Months)	Weighted average exercise price $
3,680,000	35	0.29	34	0.30

Restricted share units

On September 1, 2021, the Company granted a total of 239,808 restricted share units ("RSU") to certain consultants of the Company. The RSUs are exercisable, vesting immediately, over a period of five years at a price of $0.83 per share. Fair value per RSUs was $0.90, based on the market price of the Company share on the date the RSUs were granted. The total fair value recorded was $215,828. On July 21, 2022, 119,904 RSU were cancelled.

On January 31, 2022, the Company granted a total of 313,896 RSU to certain consultants of the Company. The RSUs are exercisable, vesting immediately. Fair value per RSUs was $0.15, based on the market price of the Company share on the date the RSUs were granted. These RSUs were exercised on the same date on January 31, 2022 and 313,896 common shares were issued.

(Expressed in Canadian dollars)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance October 31, 2022	3,000,000	1.00
Issued	-	-
Exercised	-	-
Expired	-	-
Balance, January 31, 2023	3,000,000	1.00

The fair value of the warrants granted during the year using the Black Scholes pricing model was $322,455, using the following assumptions: exercise price of $1.00, share price of $0.30, estimated volatility of 120%, expected life of 2 years and a risk-free rate of 0.43%.

The following warrants are outstanding at January 31, 2022:

Number of warrants	Exercise price per warrant	Expiry date
3,000,000	$1.00	Sept 8, 2023

As at January 31, 2023, the weighted average outstanding life of the Company's outstanding warrants is 0.6 years

12) FINANCIAL INSTRUMENTS AND RISKS

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at January 31, 2023, as follows:

	January 31, 2023			
	Carrying value	Level 1	Level 2	Level 3
	$	$	$	$
Cash	-	-	-	-

The fair values of other financial instruments, which include amounts receivable, amounts payable and lease liabilities approximate their carrying values due to the relatively short-term maturity of these instruments. The convertible notes are carried at amortized cost.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on any outstanding accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company has minimal financial assets and liabilities held in foreign currencies.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

13) CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities, as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period ended January 31, 2023.

(Expressed in Canadian dollars)

14)RIGHT OF USE ASSET AND LEASE LIABILITY

Right-of-use assets

The following is the continuity of the cost and accumulated depreciation of the Company's right-of-use assets which consist of premise leases, for the year ending October 31, 2022 and for the three-month period ended January 31, 2023:

	$
Balance, October 31, 2021	295,447
Depreciation expense for the year	(55,130)
Write down on termination of lease	(153,222)
Balance, October 31, 2022	87,095
Depreciation expense for the period	(10,452)
Balance, January 31, 2023	76,643

Lease liabilities

The following is the continuity of lease liabilities, for the year ending October 31, 2022 and for the three-month period ended January 31, 2023:

	$
Balance, October 31, 2021	320,926
Lease payments for the year	(80,000)
Interest expense on lease liabilities for the year	31,985
Reduction in liability on lease cancellation	(167,760)
Balance, October 31, 2022	105,151
Lease payments for the period	(15,000)
Interest expense on lease liabilities for the period	4,349
Balance, January 31, 2023	94,500
Current portion	47,698
Long-term portion	46,802

As a result of the transaction described in Note 5, the Company recognized a right-of-use asset of $170,708 and assumed a lease liability of $175,213 during the year ended October 31, 2021. When measuring lease liability, the Company's incremental borrowing rate applied was estimated to be 18% per annum. During the year ended October 31, 2022, one lease was terminated and a gain on lease termination at the amount of $14,538 was recognized.

15) CONVERTIBLE NOTE

On September 9, 2021, the Company announced the closing of its non-brokered private placement offering under which it sold $3,000,000 aggregate principal amount of convertible debenture units for gross proceeds of approximately $2,700,000, representing an initial issue discount equal to 10% of the aggregate principal amount of the Debentures.

Each Debenture Unit consists of (i) $1,000 principal amount of senior unsecured convertible debentures; and (ii) common share purchase warrants (the "Warrants") exercisable for 1,000 common shares in the Company. The Debentures will mature on the date that is 24 months from the date of issuance and shall bear interest at a rate of 5% per annum, payable on the Maturity Date. The principal sum of the Debentures, or any portion thereof, may be converted into common shares of the Company at a conversion price of $0.75 per share. Each Warrant shall entitle the holder to acquire one additional common share in the capital of the Company at a price of $1.00 per Warrant Share for a period of 24 months from the date of issuance. The total fair value of the Warrants recorded was $322,455.

The Company may force the conversion of all of the principal amount of the then outstanding Debentures at the Conversion Price prior to the Maturity Date, if the daily volume weighted average trading price of the Shares on the Canadian Securities Exchange is greater than a 50% premium to the Conversion Price for any 15 trading days during any period of 30 consecutive trading days.

All Debentures and Warrants issued pursuant to the Offering, including any securities into which they may be converted or exercised, are subject to a statutory hold period of four months and one day from the date of issuance thereof. The Company will use the proceeds of the Offering to advance its novel drug discovery platform, commercialize its diagnostic business unit and for general working capital.

Using a risk adjusted discount rate of 16%, the equity portion was determined to be $131,955 and was recognized as the equity portion of convertible debenture on the Consolidated Statements of Financial Position. Accretion expense of $150,220 was expensed to the Consolidated Statements of Comprehensive Loss during the three months ended January 31, 2023 (2022 - $104,558). Accumulated accretion as at January 31, 2023 is $685,995. The Company accrued $212,500 as interest payable as at January 31, 2023 (October 31 2022 - $174,166).

(Expressed in Canadian dollars)

16) INCOME TAX

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended October 31, 2022 and 2021:

	2022	2021
	$	$
Net loss for the year	(3,697,268)	(4,535,506)
Nominal Tax Rate	27%	27%
Expected income tax (recovery) at the statutory rate	(998,262)	(1,224,587)
Non-deductible items	27,875	268,211
Change in estimate	(58,822)	-
Change in deferred tax assets not recognized	889,263	788,068
Income tax expense (recovery) per financial statements	(129,946)	(168,308)
Current tax expense (recovery)	-	-
Deferred tax expense (recovery)	(129,946)	(163,308)
Total income tax expense (recovery)	(129,946)	(163,308)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Movements in deferred tax assets (liabilities) at October 31, 2022 and 2021 are comprised of the following:

	2022	2021
	$	$
Non capital loss carryforwards	47,214	44,399
Convertible debt	(45,060)	(174,345)
Lease Liabilities	23,516	-
Right of Use Assets	(23,516)	-
Property and Equipment	(2,154)	-
	-	(129,946)

The unrecognized deductible temporary differences as at October 31, 2022 and 2021 are comprised of the followings:

	2022	2021
	$	$
Non capital loss carryforwards	6,270,129	3,125,000
Lease Liabilities	18,056	-
Total unrecognized deductible temporary differences and tax losses	6,288,185	3,125,000

(Unaudited - Expressed in Canadian dollars)

As at October 31, 2022, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of $6,270,129 (2021 - $3,125,000) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

EXPIRY	
2041	3,146,938
2042	3,123,191
TOTAL	6,270,129

Tax attributes are subject to review and potential adjustment by tax authorities.

17) COMMITMENTS

On July 15, 2020, the Company entered into an agreement with an arm's length party to acquire patents ("Acquired Assets"). As part of the agreement, the Company shall pay the arm's length party an annual perpetual royalty equal to the greater of $600,000 or 4% of net sales of any product or service which directly or indirectly incorporates the Acquired Assets to any third party during the respective preceding calendar quarter. The royalty commences upon the company listing its common shares for trading on a public exchange and upon raising $5,000,000 in debt or equity financing ("Royalty Benchmark"). On January 5, 2021, the Company amended the terms of this agreement and paid $300,000 as an installment towards the royalty commitment which has been included in advanced deposits (Note 7). The original agreement provided that the Acquired Assets would be returned to the seller in the event the Royalty Benchmark was not achieved by July 15, 2022 and the amendment extended this date to January 15, 2023.

On November 26, 2020, the Company entered into an agreement with the Chief Executive Officer ("CEO") of the Company to provide advisory services at the rate of $14,000 per month which will increase to $20,000 per month after the Company has raised $3 million and is listed on a public stock exchange. The Company will pay the CEO any market capitalization bonuses once thresholds are met for a period of 12 months after the termination of the agreement. The thresholds are as follows:

a. $250,000 if the market capitalization reaches an average of $100 million of a minimum period of 30 consecutive trading days based on the daily closing price.
b. $250,000 if the market capitalization reaches an average of $200 million of a minimum period of 30 consecutive trading days based on the daily closing price.
c. $250,000 if the market capitalization reaches an average of $300 million of a minimum period of 30 consecutive trading days based on the daily closing price.
d. $250,000 if the market capitalization reaches an average of $400 million of a minimum period of 30 consecutive trading days based on the daily closing price.
e. $500,000 if the market capitalization reaches an average of $500 million of a minimum period of 30 consecutive trading days based on the daily closing price.

The Company will also issue common shares to the CEO if the following milestones are met:

a. 500,000 common shares if the market capitalization reaches an average of $100 million of a minimum period of 30 consecutive trading days based on the daily closing price.

b. 500,000 common shares if the Company is listed on the NASDAQ or New York stock exchange or is acquired by a NASDAQ or New York Stock Exchange listed company.

On November 26, 2020, the Company entered into an agreement with the Chief Scientific Officer ("CSO") of the Company to provide consulting services at the rate of $20,000 per month. The Company shall pay the CSO $100,000 market capitalization bonus if the market capitalization of the Company reaches $100 million for a minimum period of 30 consecutive trading days based on the daily closing price. The CSO is also entitled to performance bonuses once certain milestones are achieved, as listed below:

a. $1,000,000 upon the issuance by the Government of Canada of a manufacturing license for psilocybins or extracts containing psilocybins or compounds related to psilocybins.
b. $2,000,000 upon the issuance by the Government of Canada of a commercial license for production and commercial sale of psilocybins or extracts containing psilocybins or compounds related to psilocybins.
c. $1,000,000 upon the submission of an Investigational New Drug Application any compound or mixture submitted where MYND possesses a commercial interest.
d. $2,000,000 upon the submission of the issuance of a Federal Drug administration of approval for any compound or mixture submitted where MYND possesses a commercial interest.
e. $1,000,000 upon the initiation of a Phase 1 clinical trial for any compound or mixture submitted where MYND possesses a commercial interest.
f. $2,000,000 upon the initiation of a Phase 2 clinical trial for any compound or mixture submitted where MYND possesses a commercial interest.
g. $2,000,000 upon the initiation of a Phase 3 clinical trial for any compound or mixture submitted where MYND possesses a commercial interest.

On December 21, 2020, the Company entered into a collaborative research agreement with the University of British Columbia to provide research services. The agreement is for a period of 12 months and the Company paid $199,990 (Note 7). On January 25, 2021, the agreement term was amended and extended to March 21, 2022.

On March 1, 2021, the Company entered into an agreement with the Chief Financial Officer of the Company to provide consulting services at the rate of $3,000 per month.

Pursuant to an asset purchase agreement, dated October 26, 2021, the Company acquired the rights, title and interest to patent 63/167,897 which describes specific methodologies in the use of psychedelics to treat dementia. 450,000 common shares were issued in addition to $120,000 paid in pursuant to the agreement. In addition, the Company shall pay to the party an annual royalty equal to the greater of: (i) $240,000; or (ii) 4% of the net sales of any product or service which directly or indirectly incorporates the Acquired Assets to any third party.

18) SUBSEQUENT EVENTS

On December 13, 2022, the lease of production facility located at 733 Finns Road, Kelowna, B. C. was transferred to 1253486 B.C. Ltd. On February 1, 2023, the Company's CEO, also the sole director on 1253486 entered into a Share Purchase Agreement to sell 100% of 1253486's shares to an arm's length party ("Buyer"). The transaction was closed on March 31, 2023. The sale of the Health Canada License and production facility was completed for a total proceed of $1 million where $100,000 was received in advance and the remainder payable in monthly instalments of the greater of $50,000 or 10% of Buyer's gross sales, before tax, of all Dymond Concentrates Branded product sales to the provincial boards.