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

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S. Persons.*

February 11, 2022

NON-OFFERING PROSPECTUS

MYNDTEC INC.

2,954,302 Subscription Receipt Units
convertible to
Common Shares and Warrants

This non-offering prospectus (the "**Prospectus**") of MyndTec Inc. (the "**Company**" or "**MyndTec**"), is being filed with the securities regulatory authorities in the provinces of Ontario, Alberta and British Columbia (the "**Jurisdictions**") for the purpose of the Company becoming a reporting issuer in those Jurisdictions pursuant to applicable securities legislation and to qualify the distribution of the following securities issuable upon the conversion or deemed conversion of 2,954,302 subscription receipt units (each subscription receipt, a "**Subscription Receipt**", and each unit thereof, a "**Subscription Receipt Unit**") of the Company, being: the common shares underlying the Subscription Receipt Units (the "**Common Shares**"), the Common Share purchase warrants underlying the Subscription Receipt Units (the "**Warrants**") and the Common Shares underlying the Warrants (the "**Warrant Shares**"). Upon the issuance of the final receipt for this Prospectus by the applicable securities regulatory authorities, the Company will become a reporting issuer in the Jurisdictions. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

The Subscription Receipts were issued, on a non-brokered private placement basis, in three closings which occurred on June 22, 2021, July 28, 2021 and December 10, 2021 (each, a "**Closing**" and collectively, the "**Closings**"), at a price of $1.00 per Subscription Receipt (the "**Issue Price**"), to purchasers in the Jurisdictions and in jurisdictions outside of Canada, in each case in accordance with applicable laws and pursuant to certain prospectus exemptions under applicable securities laws (collectively, the "**Private Placement**"). Collectively, the Common Shares, Warrants and Warrant Shares are referred to herein as the "**Qualified Securities**". **The Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities, excluding the Warrant Shares which are to be issued upon receipt of the exercise price of $1.00 per Warrant Share ("Exercise Price").**

Each Subscription Receipt is represented by a certificate (the "**Subscription Receipt Certificate**"). Upon receipt of conditional listing approval of the Common Shares of the Company on a stock exchange in Canada (the "**Release Condition**") on or before 5:00 p.m. (EST) on February 28, 2022 (the "**Release**

Deadline"), each Subscription Receipt will be automatically converted by the Subscription Receipt Agent (as defined herein), without payment of any additional consideration or any further action on the part of the Subscription Receiptholder (as defined herein) (including the surrender of any Subscription Receipt Certificate) into one Subscription Receipt Unit, which shall consist of one Common Share and one Warrant exercisable at $1.00 per Common Share until the Warrant Expiry Date (as defined herein), as governed by the Warrant Indenture (as defined herein). The Subscription Receipts and the conditions necessary for them to be converted for Qualified Securities are described in more detail under the heading "Description of Securities" in this Prospectus.

The Company has granted to each Subscription Receiptholder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that in the event a Subscription Receiptholder of a Subscription Receipt acquires Common Shares and Warrants underlying the Subscription Receipt Units upon the satisfaction of the Release Condition and is, or becomes, entitled under applicable securities legislation to the remedy of rescission by reason of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the Subscription Receiptholder is entitled to rescission with respect to not only the conversion of the Subscription Receipt Units, but also to the purchase of the Subscription Receipts, (b) the Subscription Receiptholder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Subscription Receipts, and (c) if the Subscription Receiptholder is a permitted assignee of the interest of the original Subscription Receiptholder, such Subscription Receiptholder is entitled to exercise the rights of rescission and refund as if the Subscription Receiptholder was the original holder thereof.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary markets, the transparency and availability of trading prices, the liquidity of the Company's securities and the extent of issuer regulation. See "Risk Factors – Risks Relating to the Common Shares – No Established Market, Market Price of Common Shares and Volatility".

The Company has applied to list its Common Shares on the Canadian Securities Exchange (the "**Exchange**" or the "**CSE**") under the symbol "MYTC" (the "**Listing**"). The Listing is subject to the Company fulfilling all of the requirements of the CSE. The CSE has conditionally approved the Company's Listing application and there is no assurance that it will do so. As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas Neo Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America.

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

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

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

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

The Company's registered and head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario L5N 3C9.

TABLE OF CONTENTS

GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"**Advance Notice Bylaw**" has the meaning ascribed to such term under the heading "Corporate Governance **–** Nomination of Directors";

"**Articles**" means the Company's articles of amendment, as may be further amended from time to time;

"**Audit Committee**" means the audit committee of the Board;

"**Board**" means the board of directors of the Company;

"**By-Law No. 2**" has the meaning ascribed to such term under the heading "Corporate Structure";

"**CE Mark**" has the meaning ascribed to such term under the heading "Regulatory Environment and Industry Standards **–** Foreign Governmental Agencies*"*;

"**CEBA**" means *Canadian Emergency Business Account;*

"**CEO**" means chief executive officer;

"**CEO Employment Agreement**" has the meaning ascribed to such term under the heading "Executive Compensation **–** Termination and Change of Control Benefits";

"**CEWS"** has the meaning ascribed to such term under the heading "Description of the Business **–** Government Loans and Subsidy Programs";

"**CFO**" means chief financial officer;

"**CFO Agreement**" has the meaning ascribed to such term under the heading "Executive Compensation **–** Termination and Change of Control Benefits";

"**CPAB**" has the meaning ascribed to such term under the heading "Doing Business in Foreign and Emerging Markets*";*

"**Closing**" has the meaning ascribed to such term on the face page of this Prospectus;

"**CMS**" has the meaning ascribed to such term under the heading "Description of the Business **–** Regulatory Environment and Industry Standards **–** United States Healthcare and Privacy Laws and Regulation";

"**Code of Conduct**" has the meaning ascribed to such term under the heading "Corporate Governance **–** Ethical Business Conduct";

"**Common Shares**" means the common shares in the capital of the Company and "**Common Share**" means any one of them;

"**Common Share Purchase Warrants**" has the meaning ascribed to such term under the heading "Description of Securities **–** Common Share Purchase Warrants";

"**Company**" has the meaning set forth on the face page of this Prospectus, and any reference to "**we**" or "**us**" or "**our**" is a reference to the Company;

"**Contribution Agreement**" has the meaning ascribed to such term under the heading “Material Contracts **–** FEDA Contribution Agreement”;

"**Convertible Debentures**" has the meaning ascribed to such term under the heading “Description of Securities **–** Subscription Receipt Units”;

“**Data Management Services**" has the meaning ascribed to such term under the heading “Material Contracts **–** Sales Order Agreement and LBB License Agreement”;

“**DRGE**” has the meaning ascribed to such term under the heading “Description of the Business – Research & Development”;

"**ESA**" means the Ontario *Employment Standards Act, 2000,* as may be amended or replaced;

"**Escrow Agent**" means Marrelli Trust Company Limited;

“**Escrow Agreement**” means the escrow agreement dated as of the date hereof between the Escrow Agent, the Company and the Escrowed Securityholders which is substantially in the form of 46-201F1 – Escrow Agreement, the form of agreement for escrow arrangements under NP 46-201;

"**Escrowed Proceeds**" means $2,363,441, which is the balance of the Proceeds being held in escrow;

"**Escrowed Securities**" has the meaning ascribed to such term under the heading "Escrowed Securities and Securities Subject to Contractual Restriction on Transfer **–** Escrowed Securities";

"**Escrowed Securityholders**" means 2339232 Ontario Corp., Griggs Associates Inc., Dr. Peter Harvey Griggs, Susan Ruth Griggs, Milos And Kathrin Inc., Life Beyond Barriers, LLC and James Anderson, each of whom will be required to enter into an Escrow Agreement;

"**EU MDR**" means European Medical Devices Regulation;

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange;

"**Exclusive Customers**" has the meaning ascribed to such term under the heading See “History – General Development of the Business”;

"**Exclusive Distribution Agreement**" has the meaning ascribed to such term under the heading “Material Contracts **–** Exclusive Distribution Agreement”;

"**Exercise Price**" has the meaning ascribed to such term on the face page of this Prospectus;

"**FCA**" has the meaning ascribed to such term under the heading “Description of the Business **–** Regulatory Environment and Industry Standards **–** United States Healthcare and Privacy Laws and Regulation”;

"**FDA**" has the meaning ascribed to such term under the heading “MyndMove™”;

“**FEDA**” means Federal Economic Development Agency;

"**Field**" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN License Agreement”;

“Financial Statements” has the meaning ascribed to such term under the heading “Prospectus Summary”;

“Form 52-110F2” means Form 52-110F2 – *Disclosure by Venture Issuers* within National Instrument 52-110 *Audit Committees*, as amended from time to time;

“Forward-Looking Information” has the meaning ascribed to such term under the heading “Forward-Looking Information”;

“Fourier” has the meaning ascribed to such term under the heading “Description of the Business **–** Business Model”;

"**FSS**" means Federal Supply Schedule, within the United States of America Government GSA Schedule;

"Funded Research Program" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN Master Collaboration Agreement”;

"**FY 2021**" has the meaning ascribed to such term under the heading “Executive Compensation **–** Summary Compensation Table”;

"**FY 2022**" has the meaning ascribed to such term under the heading “Executive Compensation”;

"**HHS**" means the Health and Human Services Department;

"**HIPAA**" has the meaning ascribed to such term under the heading “Description of the Business **–** Regulatory Environment and Industry Standards **–** United States Healthcare and Privacy Laws and Regulation”;

"**IFRS**" means the International Financial Reporting Standards;

"**Issue Price**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Joint Project Inventions**" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN Master Collaboration Agreement”;

"**Jurisdictions**" has the meaning ascribed to such term on the face page of this Prospectus;

"**KITE**" means the KITE Research Institute at UHN;

"**KITE Sole Project Inventions**" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN Master Collaboration Agreement”;

"**LBB**" means LBB Applied Technology, LLC;

"**LBB License Agreement**" has the meaning ascribed to such term under the heading “Material Contracts **–** Sales Order Agreement and LBB License Agreement”;

"**Licensed Patents**" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN License Agreement”;

"**Listing**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

"**MAS**" means Multiple Award Schedule, within the United States of America Government GSA Schedule;

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

“**MDD**" means Medical Device Directive;

"**MDR**" means Medical Device Regulations;

"**MM System**" has the meaning ascribed to such term under the heading “Material Contracts **–** Sales Order Agreement and LBB License Agreement”;

"**MVM**" has the meaning ascribed to such term under the heading “History **–** General Development of the Business”;

"**MyndTec**" has the meaning ascribed to such term on the face page of this Prospectus;

"**MyndTec Proceeds**" means $590,861;

"**Named Executive Officers**" or "**NEOs**" has the meaning ascribed to such term under the heading "Executive Compensation";

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements*, as amended from time to time;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*, as amended from time to time;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices,* as amended from time to time;

"**NP 46-201**" means National Policy 46-*201 Escrow for Initial Public Offerings*, as amended from time to time;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines*, as amended from time to time;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended, together with all regulations promulgated thereto;

"**Options**" means options to purchase Common Shares issued pursuant to the Option Plan;

"**Option Plan**" means the Company's share option plan, effective upon the date of Listing, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Original License Agreement**" has the meaning ascribed to such term under the heading “Material Contracts **–** UHN License Agreement”;

“Participant” has the meaning ascribed to such term under the heading “Options to Purchase Securities **–** Option Plan”;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the Company within two years before this Prospectus;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Prospectus;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing Date; or

(d) a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing Date, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries;

"**Private Placement**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Proceeds**" has the meaning ascribed to such term under the heading "Description of Securities **–** Subscription Receipt Units";

"**Prospectus**" has the meaning ascribed to such term on the face page of this Prospectus;

"**QSR**" has the meaning ascribed to such term under the heading "Description of the Business **–** Regulatory Environment and Industry Standards **–** United States Healthcare and Privacy Laws and Regulation";

"**Qualified Securities**" has the meaning ascribed to such term on the face page of this Prospectus;

"Qualified Financing" has the meaning ascribed to such term under the heading "Description of Securities **–**

Convertible Debentures";

"Qualified Financing Security" has the meaning ascribed to such term under the heading "Description of Securities **–** Convertible Debentures";

"**Release Certificate**" has the meaning ascribed to such term under the heading "Description of Securities **–** Subscription Receipt Units";

"**Release Condition**" has the meaning ascribed to such term on page ii of the initial summary of this Prospectus;

"**Release Deadline**" has the meaning ascribed to such term on page ii of the initial summary of this Prospectus;

"RMF" means RMF Design and Manufacturing Inc.;

"**Sales Order Agreement**" has the meaning ascribed to such term under the heading "Material Contracts **–** Sales Order Agreement and LBB License Agreement";

"**SCI**" has the meaning ascribed to such term under the heading "Description of the Business **–** Overview";

"**SR&ED**" has the meaning ascribed to such term under the heading "Description of the Business **–** UHN Master Collaboration Agreement";

"**Subscription Receipt**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Subscription Receiptholder**" means the holder of a Subscription Receipt;

"**Subscription Receipt Agent**" means Marrelli Trust Company Limited, including its successors and assigns;

"**Subscription Receipt Agreement**" has the meaning ascribed to such term under the heading "Description of Securities **–** Subscription Receipt Units";

"**Subscription Receipt Certificate**" means a certificate representing Subscription Receipts;

"**Subscription Receipt Unit**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Technology**" has the meaning ascribed to such term under the heading "Material Contracts **–** UHN License Agreement";

"**Termination Event**" means any one of: (i) the failure of the Company to close the Private Placement by the Release Deadline; or (ii) a written notice from the Company to the Subscription Receipt Agent prior to the Release Deadline, stating that the Company does not intend to close the Private Placement by the Release Deadline;

"**UHN**" has the meaning ascribed to such term under the heading "Description of the Business **–** UHN Master Collaboration Agreement";

"**UHN License Agreement**" has the meaning ascribed to such term under the heading "History **–** General Development of the Business";

"**UHN Master Collaboration Agreement**" has the meaning ascribed to such term under the heading "Material Contracts **–** UHN Master Collaboration Agreement";

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

"**VP Agreement**" has the meaning ascribed to such term under the heading "Executive Compensation **–** Termination and Change of Control Benefits";

"**Warrants**" has the meaning ascribed to such term on the face page of this Prospectus;

"**Warrant Agent**" has the meaning ascribed to such term under the heading "Description of Securities **–** Warrants";

"**Warrant Expiry Date**" means the date that is the earlier of (i) the maturity date of the Convertible Debentures, and (ii) 60 months from the date of fulfilment of the Release Condition, subject to adjustment in certain events;

"**Warrant Indenture**" has the meaning ascribed to such term under the heading "Description of Securities **–** Warrants";

"**Warrant Indenture Capital Reorganization**" has the meaning ascribed to such term under the heading Warrants;

"**Warrant Indenture Rights Offering**" has the meaning ascribed to such term under the heading "Description of Securities **–** Warrants"; and

"**Warrant Shares**" has the meaning ascribed to such term on the face page of this Prospectus.

GENERAL MATTERS

All references in this Prospectus to "management" are to the persons who are identified in this Prospectus as the executive officers of the Company. See "Directors and Executive Officers". All statements in this Prospectus made by or on behalf of management are made in such persons' capacities as executive officers of the Company and not in their personal capacities.

Readers should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with additional or different information. The information contained on our website, *https://www.myndtec.com/*, is not intended to be included in or incorporated by reference into this Prospectus, and readers should not rely on such information. Any graphs, tables or other information demonstrating historical performance of the Company or that of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of the Company's or such entities' future performance. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "**Forward-Looking Information**") within the meaning of Canadian securities laws. Forward-Looking Information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's intention to complete the Listing;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- the Company's reliance and proposed reliance on third party distributors to distribute its products;
- the Company's reliance on third party distributors and arrangements in markets outside of Canada, including emerging markets;
- the grant and impact of any license or supplemental license to conduct activities with the Company's products or any amendments thereof;
- the Company's competitive position and the regulatory environment in which the Company expects to operate;

- the Company's expectation that available funds will be sufficient to cover its expenses over the next 12 months;
- the Company's expected business objectives and milestones, including costs of the foregoing, for the next 12 months;
- the costs associated with this Prospectus and the Listing;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments to fund its operations;
- projections for development plans and progress of products and technologies, including the ability to obtain regulatory clearance for the Company's products, the ability for the Company's manufacturer(s) to deliver products on time and with sufficient quality and the availability and supply of key components for the Company's system and for consumables;
- the Company's ability to attract partners in the development process;
- the Company's ability to license and market identified product candidates;
- expectations regarding acceptance of products and technologies by the market;
- the intentions of the Board with respect to executive compensation plans and corporate governance plans described herein; and
- the Escrow Agreement and the escrow of the Escrowed Securities.

Certain forward-looking statements and other information contained in this Prospectus concerning the industry and the markets in which the Company operates, including the Company's general expectations and market position, market opportunities and market share, is based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the industry in which the Company operates in involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company's ability to successfully execute its plans and intentions, including, without limitation, obtaining a final receipt from the applicable securities regulatory authorities and listing the Common Shares on the Exchange; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the industry in which the Company competes; (xi) positive public opinion with respect to the industry in which the Company operates; and that (xii) the negative impacts associated with COVID-19 will not be long-term. 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. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown

risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- uncertainty about the Company's ability to continue as a going concern;
- the Company is a development stage company with little operating history and the Company cannot assure profitability;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- the Company's research, development and commercialization of its products could be stopped or delayed if any third party fails to provide sufficient quantities of products or components, or fails to do so at acceptable quality levels or prices, or fails to maintain or achieve satisfactory regulatory compliance;
- the Company's reliance and proposed reliance on third party distributors outside of Canada to distribute its products will have a material adverse impact on the Company's financial position and results of operations if those distributors are unable to sell the Company's products or market conditions in those jurisdictions;
- there is no assurance that the Company will turn a profit or generate revenues;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;
- the Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;
- the Company faces competition from other companies operating similar businesses and those companies may have better technology, be better capitalized, have more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the industry in which it operates;
- the size of the Company's target market is difficult to quantify and readers will be reliant on their own estimates on the accuracy of market data;
- the Company expects to sell additional equity securities for cash to fund operations, capital expansion, mergers and acquisitions, which would have the effect of diluting the ownership positions of the Company's current shareholders;
- the Company is reliant on information technology systems and may be subject to damaging cyber-attacks;

- the Company may be subject to breaches of security, particularly, in respect of electronic documents and data storage, and may face risks related to theft and breaches of applicable privacy laws;

- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;

- in certain circumstances, for example, with the use of social media, the Company's reputation could be damaged;

- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;

- there is no assurance that a market will continue to develop or exist for the Common Shares or what the market price of the Common Shares will be;

- the Company will be subject to additional regulatory burden and income tax implications resulting from its public listing on the Exchange;

- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;

- the Company is subject to uncertainty regarding Canadian legal and regulatory status and changes, including uncertainty regarding regulatory clearance for the Company’s products;

- there is no assurance manufacturer(s) will be able to deliver products on time and with sufficient quality, or at all;

- there is no assurance that there will be availability or supply of key components for the Company’s products or consumables;

- the Company does not anticipate paying cash dividends; and

- the Company will have discretion over the use of available funds and there may be circumstances where the Company may determine that a reallocation of funds may be necessary.

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Company. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "Risk Factors" in this Prospectus. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any Forward-Looking Information to reflect, among other things, new information or future events.

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports, referred to as the Company's MD&A documents, any events and circumstances that occurred during the

period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time and it is not possible for management to predict all such factors and to assess the impact of each such factor on the Company's business in advance or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Readers are cautioned against placing undue reliance on forward-looking statements.

All of the Forward-Looking Information contained in this Prospectus is expressly qualified by the foregoing cautionary statements and the Risk Factors. See "Risk Factors". Readers should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of an investment in the Company.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and from publications, websites and other publicly available information, as well as industry and other data prepared by the Company or on its behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, customers and other industry participants. We believe that the market and industry data presented throughout this Prospectus is accurate and, with respect to data prepared by us, or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this Prospectus are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. For the avoidance of doubt, nothing stated in this paragraph operates to relieve us from liability for any misrepresentation under applicable Canadian securities laws to the extent a misrepresentation were to be contained in this Prospectus.

TRADEMARKS, TRADENAMES AND COPYRIGHTS

This Prospectus includes certain trademarks, trade names and material subject to copyright, such as "MyndMove™" and "MyndTec", which are protected under applicable intellectual property laws and are the property of the Company. Solely for convenience, our trademarks, trade names and copyrighted material referred to in this Prospectus may appear without the ™, ® or © symbols, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks, trade names and copyrights to the fullest extent under applicable law. See "Description of the Business". All other trademarks, trade names and material subject to copyright used in this Prospectus are the property of their respective owners.

Where the term "MyndMove™" is used in this Prospectus, such term refers to the Company's MyndMove™ system, which encompasses the MyndMove™ therapy, the MyndMove™ device used in such therapy, and the ancillary software, documentation, supplies and services necessary for the operation or use of the MyndMove™ device, unless otherwise specified.

PROSPECTUS SUMMARY

The following is a summary of the Company, its business and the principal features of the securities it previously issued and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire Prospectus carefully, especially the "Risk Factors" *section of this Prospectus.*

The Company: MyndTec Inc. is a corporation governed by the OBCA. See "Corporate Structure".

Business of the Company: The Company is a medical technology company located in Mississauga, Ontario and is focused on commercial development of innovative therapeutic medical devices designed to improve function, maximize independence and enhance quality of life. The Company's flagship product MyndMove™ is a non-invasive functional electrical stimulation-based intervention. MyndMove™ uses the mechanism of neuroplasticity to stimulate development of new neural pathways allowing patients to re-establish voluntary movement. MyndMove™ offers therapists the ability to assist individuals affected with paralysis in improving voluntary control of their limbs. MyndMove™ offers a broad spectrum of sophisticated functional electrical stimulation software protocols which therapists use to enable meaningful controlled movements via proprietary stimulation technology. See "Description of the Business".

Private Placement: Pursuant to the Private Placement, the Company issued 2,954,302 Subscription Receipts for gross proceeds of $2,954,302 in three Closings which occurred on June 22, 2021, July 28, 2021 and December 10, 2021. See "Description of Securities".

Issue Price: $1.00 per Subscription Receipt. See "Description of the Business – Subscription Receipt Units".

Qualified Securities: This Prospectus is being filed to qualify the distribution of the following securities issuable upon the conversion or deemed conversion of 2,954,302 Subscription Receipt Units: the Common Shares, Warrants and Warrant Shares.

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

Available Funds and Principal Purposes: This is a non-offering Prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds. Notwithstanding, the Company completed a Private Placement for a total amount of $2,954,302, of which $590,861 has been received and $2,363,441 is in escrow. It is estimated that the Company has available working capital of approximately $1,560,000 as of December 31, 2021, including its unaudited working capital deficit of $803,441 and the release of the Escrowed Proceeds.

Following the Listing, the principal purposes for the foregoing available funds are expected to be as follows:

Forecast of Funds Available

Initial available working capital	**Notes**	**Amount $**
Unaudited working capital as at December 31, 2021		(803,441)
Escrowed Proceeds from the Company's Private Placement	(1)	2,363,441
December 31, 2021 working capital and Escrowed Proceeds		**1,560,000**
Forecast of additional Sources of Funds		
Estimated gross margins – 12 months to December 31, 2022	(2)	140,000

Estimated SR&ED claim for the 2021 fiscal year, expected in May 2022	(3)	250,000
		390,000
Total source of funds, including working capital and Escrowed Proceeds		**1,950,000**

Forecasted Use of Funds		
Estimated operating expenses – 12 months to December 31, 2022		
Salaries and benefits	(4)	928,000
Product development – see Milestones	(5)	135,000
Other engineering, quality assurance and marketing expenses	(6)	83,000
Insurance		150,000
General and administration expenses	(7)	393,000
Total estimated operating expenses		**1,689,000**
Estimated expenses related to the Prospectus and the CSE Listing	(8)	20,000
Total Estimated Expenditures		**1,709,000**
Unallocated funds		**241,000**

All estimates are based on historical trends, except (a) salaries and benefits, as described in note 4, below; (b) all one-time discretionary consulting costs have been discontinued unless they are included in product development expenses; (c) additional public company regulatory expenses have been added; and (d) additional insurance costs have been added in respect of director and officer coverage for public companies. Previous discretionary consulting cost removed from the Company's business plan include new product development projects with UHN, contact management software development, sourcing of additional financing through capital markets and marketing support.

Notes (all amounts are in Canadian dollars):

(1) Escrow funds of $2,363,441 will be received at such time as the Company is listed on the CSE. If conditional listing approval is not received by February 28, 2022, the Company will require the approval of Subscription Receiptholders who hold in the aggregate not less than sixty-six and two third percent (66 2/3%) thereof to extend the February 28 deadline, without which, the $2,363,441 will be returned to the Subscribers.

(2) $140,000 of gross margins estimated for the 12-months ended December 31, 2022 is comprised of an estimated $100,000 of margins resulting to fee-for-service revenues and $40,000 in margins resulting from equipment revenues. The actual gross margins for 2021 were $467,000, which included $324,000 relating to UHN, and the remainder of $143,000 in margins related to fee-for-service revenues and equipment revenues. As such, the 2022 gross margin estimate is based on the historical run rate from 2021 from existing clinics using the Company's MyndMove™ device. The 2022 estimate does not include any additional clinics or other facilities that may arise from the distribution agreement with LBB which was signed on September 29, 2021 nor any potential growth from the Company becoming an accredited vendor with the United States of America government on October 1, 2021. The 2022 estimate also does not include any potential expanded usage of the existing MyndMove™ devices at clinics that may result from any reduced COVID-19 restrictions.

(3) The $250,000 forecasted SR&ED claim for the calendar year of 2021 is more than the $231,000 received in 2021 for 2020, because 2021 contract R&D expenses were higher than those in 2020. The Company is not eligible for cash refundable SR&ED credits related to costs incurred after it has become listed on the CSE.

(4) Salaries and benefits include the same employee positions that existed for the entire 2021 year, which management believes is sufficient to support the Company's forecast and its milestones through to December 31, 2022.

R&D salaries cover activities supporting ongoing operations/maintenance, in addition to R&D projects. Total salaries and benefits in the above table for these activities are $328,000. The Company anticipates $15,000 of these salaries to be spent on R&D milestones, with the remainder being allocated to support operations, specifically the maintenance of the Company's MyndMove™ devices, quality assurance and support for clinical staff.

The year-to-date salaries and benefits costs as of September 30, 2021, totaling $939,000, included non-recurring costs of $250,000 in severance for the former CEO. The Company does not anticipate incurring these costs in 2022. Only 689,000 of the September year-to-date payroll is recurring and this equates to $928,000 on an annualized basis.

(5) See "Business Objectives and Milestones".

(6) The Company has moved to a distributor sales model and focused its 2022 business plan solely on revenue from existing technology. In addition, 2022 engineer expenditures will be limited to working with the clinics to improve the effectiveness of therapies for existing product models. To eliminate all non-revenue generating expenditures, all engineering and quality assurance activities, except those required to achieve the disclosed Milestones, will be focused on servicing existing MyndMove™ devices, current regulatory and certification requirements and training new therapists using off-the-shelf on-line technologies.

All discretionary marketing activities and engineering costs beyond those required to achieve the disclosed milestones have been eliminated and the business plan for the 12-month period ending December 31, 2022 does not include any of the consulting or other similar discretionary costs previously incurred in 2021, unless such costs are specified in the Milestones. Previous discretionary consulting costs removed from the Company's business plan include new product development, contact management software purchase or development, sourcing of additional financing through capital markets and marketing research.

(7) General and administrative costs include accounting, rent, technology and office expenses based on historical trends. Legal costs have been reduced to the minimum required to support regulatory requirements, new sales initiatives and basic secretarial requirements. Audit fees and public regulatory costs estimates have been increased to support the Company's Listing on the CSE. All other discretionary professional costs have been eliminated. Management believes its estimate of general and administrative costs is sufficient to support the Company's forecast and its milestones.
The $393,000 of G&A expenses includes: $95,000 of audit fees; $65,000 for phone, internet, computers and software technology; $65,000 for CFO compensation and a supporting accounting clerk; $63,000 for public company regulatory costs; $65,000 for ongoing legal costs; $29,000 for rent, based on IFRS accounting policies; $12,000 for office supplies; and, $4,000 for credit card fees; less, a $5,000 over recovery of clinical trial costs.

(8) The $20,000 of Prospectus and CSE Listing costs includes estimated filing and accounting costs subsequent to December 31, 2021, required to complete the Company's Listing. In addition thereto, $1,013,000 of Prospectus and Listing costs were incurred during the year ended December 31, 2021. Total Prospectus and CSE Listing costs of $1,033,000 include $580,000 of legal fees; $139,000 of accounting fees for the Company's IFRS conversion and three quarterly reviews; $107,000 of consulting fees from the contract CFO; $103,000 of consulting fees from the former CEO; $71,000 of retention bonuses to the employees; and, $33,000 of filing fees and other support costs.

The Company had a negative cash flow from operating activities for the financial years ended December 31, 2020 and December 31, 2021. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from an offering to fund such negative cash flow. See "Risk Factors – Risks Relating to Our Financial Position and Need for Capital – Negative Operating Cash Flow". Notwithstanding, management estimates that the Company will have available funds, as of the December 31, 2021, to fund operations for 12 months.

The Company intends to spend the funds available to it as stated in this Prospectus; however, there may be circumstances where the Company may determine that a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. See "Use of Available Funds – Funds Available and Principal Purposes".

Management, Directors & Officers:

The Company has a Board consisting of six directors, being Dr. Peter Harvey Griggs, Mr. Craig Leon, Ms. Christine Ozimek, Mr. Carlo Pannella, Dr. Milos Popovic, and Mr. Richard Widgren. The officers of the Company are Mr. Craig Leon (CEO), Mr. Scott Franklin (CFO and Corporate Secretary) and Mr. Ronald Kurtz (Vice-President, Engineering)**.** See "Directors and Executive Officers".

Selected Financial Information:

The following tables set forth our selected financial information for the periods and as at the dates indicated therein. The selected financial information has been derived from and is qualified in its entirety by our audited annual financial statements as at and for the years ended December 31, 2020 and 2019, and from our unaudited interim financial statements as at and for the nine months ended September 30, 2021 and the nine months ended September 30, 2020 and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "A" of this Prospectus (the "**Financial Statements**"). All Financial Statements of the Company are prepared in accordance with IFRS. Our historical results are not necessarily indicative of the results that should be expected in any future period. Readers should review this information in conjunction with the audited and unaudited financial statements, including the notes thereto, and the MD&A, as well as "General Matters", "Use of Available Funds", "Consolidated Capitalization" and "Description of Securities" included elsewhere in this Prospectus.

	As at and for the year ended December 31, 2019 (audited) ($)	As at and for the year ended December 31, 2020 (audited) ($)	As at and for the nine months ended September 30, 2021 (unaudited) ($)
Total Assets	1,498,254	1,654,591	1,843,325
Total Liabilities	2,024,782	3,480,573	5,011,529
Total Equity (Deficiency)	(526,528)	(1,825,982)	(3,168,204)
Revenue	311,447	162,634	200,660
Net Loss and Comprehensive Loss for the Period	(1,848,364)	(1,494,498)	(2,628,969)

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

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, the Company's negative operating cash flow, the Company operating as a going concern, need for additional capital requirements, reliance on MyndMove™ and third parties. For a detailed description of these and other risks, please see "Risk Factors". The risks and uncertainties described in this Prospectus are those the Company currently believes to be material, but they are not the only ones faced by the Company. If any of the risks discussed in this Prospectus actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we currently deem immaterial, the Company's business, financial condition, results of operations and prospects may be materially adversely affected.

CORPORATE STRUCTURE

Name and Incorporation of the Company

The Company was incorporated under the OBCA on June 10, 2008 under the name "Simple Systems Inc." and subsequently filed articles of amendment in order to change its name to "MyndTec Inc." on April 23, 2013. On June 28, 2021, the Company received shareholder approval to amend its articles to remove restrictions associated with a privately-held corporation, including those on the issue, transfer or ownership of Common Shares and a new by-law ("**By-Law No. 2**") suitable for a publicly-listed company, each of which are conditional upon, and effective as of, the date upon which the Company receives conditional listing approval of its Common Shares on a stock exchange in Canada. By-Law No. 2 replaces By-Law No. 1, which was a private company by-law.

The Company's registered and head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario L5N 3C9.

Intercorporate Relationships and Subsidiaries

The Company has one wholly-owned subsidiary, MyndTec US Inc., a Delaware corporation which was incorporated on October 10, 2018. The board of the directors of the subsidiary consists of Mr. Craig Leon as the sole director.

DESCRIPTION OF THE BUSINESS

Overview

The Company is a Canadian medical technology company located in Mississauga, Ontario. Co-founded in 2008 by Dr. Milos Popovic, the Company is dedicated to the development and commercialization of innovative products that improve function, maximize independence and enhance the quality of life for individuals who have suffered injury to the central nervous system as a result of stroke and spinal cord injuries ("**SCI**") and certain traumatic brain injuries. The Company develops non-invasive neurological and nervous system electrical stimulation therapeutics for the treatment of neurological diseases and injury specifically targeted to markets with large, growing, global patient populations. According to recent market data, neurorehabilitation markets are global, valued at US$1,448 million in 2020 and projected to reach US$4,933 million in 2028.[1] In United States of America alone, the Centers for Disease Control reports that almost 130,000 Americans die from stroke every year, an average of one person every four minutes.[2]

The central nervous system, consisting of the brain and spinal cord, coordinates and influences the activity of all parts of the body. An injury to the central nervous system often results in the loss of motor function which can have a tragic impact on the quality of life. We are committed to providing best-in-class treatments to promote improvements in movement, increases in functional independence and reduction in the long-term economic burden shared by families, governments, insurers and society when an individual has paralysis.

The Company has one reporting segment related to its MyndMove™ business which includes the following products and services:

- fee-for-service utilization agreements of MyndMove™;
- capital equipment sales of MyndMove™ devices;

---

[1] *Neurorehabilitation Devices Market Size And Forecast,* Source: Verified Market Research (September 2021) (*Neurorehabilitation Devices Market*).
[2] *Ibid.*

- consumables and supplies sales, spare parts sales;
- clinical training services;
- technical support services; and
- extended warranty services.

MyndMove™

The Company's first product, MyndMove™, is a proprietary non-invasive functional electrical stimulation-based intervention. MyndMove™ uses neuroplasticity mechanisms to stimulate development of new neural efferent and afferent pathways allowing patients to re-establish voluntary movement and improve independence in their activities of daily living. The solution was invented and developed by Dr. Milos Popovic at KITE. The technology is based on the mechanism of neuroplasticity. See "Description of the Business – Neuroplasticity". The foundational patent for "*Functional Electrical Stimulation Device and System and Use Thereof*", was filed in Canada, the United States of America and other jurisdictions on June 2, 2011. The patent was issued in Canada on November 20, 2018 and in the United States of America on November 4, 2014. To date, the Company has been issued 26 patents and five families of patents.

MyndMove™ is a United States Food and Drug Administration ("**FDA**") and Health Canada approved product that helps restore voluntary movement to stroke and SCI patients. MyndMove™ is currently marketed in Canada under Health Canada Class 2 medical device licenses Nos. 93158 and 106501 issued on April 16, 2014 and August 6, 2021 respectively, and is also commercially available in the United States of America under 510(k) clearance (K170564, cleared on August 30, 2017). MyndMove™ therapy applies advanced principles of neuroplasticity (See "Description of the Business – Neuroplasticity") and functional electrical stimulation to assist patients with paralysis of the arm and hand to improve voluntary control of their limbs. MyndMove™'s first indications are for paralysis of the upper limb caused by stroke and spinal cord injury.

Figures 1 and 2: MyndMove™ device
Source: MyndTec Inc.

MyndMove™ therapy is a non-invasive functional electrical stimulation therapy whereby electrodes are placed on the skin over the muscles to be stimulated. Individuals are instructed by a trained MyndMove™ therapist to actively attempt to engage their muscles in the desired movement, sending a signal from the brain to the muscle. During this attempt, the therapist uses the MyndMove™ device to deliver tiny bursts of

electricity to the muscles. The stimulation causes muscles to contract and the movement sends a signal from the muscle to the brain. MyndMove™ therapy uniquely offers a full range of functional electrical stimulation facilitated protocols to allow patients to practice a number different movements critical for regaining mobility. During each treatment session, therapists select from a menu of pre-programmed stimulation protocols to facilitate these various movements.

Figure 3: MyndMove™ device electrodes
Source: MyndTec Inc.

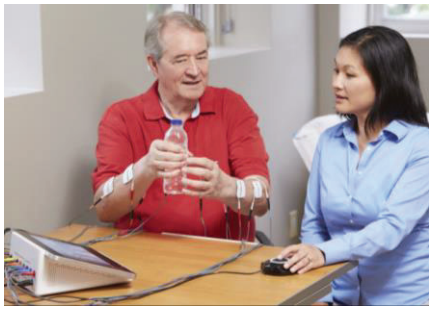

Figure 4: MyndMove™ therapy - grasping water bottle
Source: MyndTec Inc.

Figure 5: MyndMove™ therapy - palmar extenson
Source: MyndTec Inc.

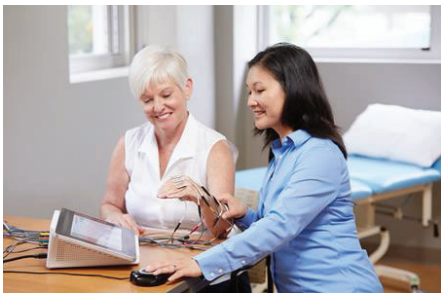

Figure 6: MyndMove™ therapy – palmar grasp
Source: MyndTec Inc.

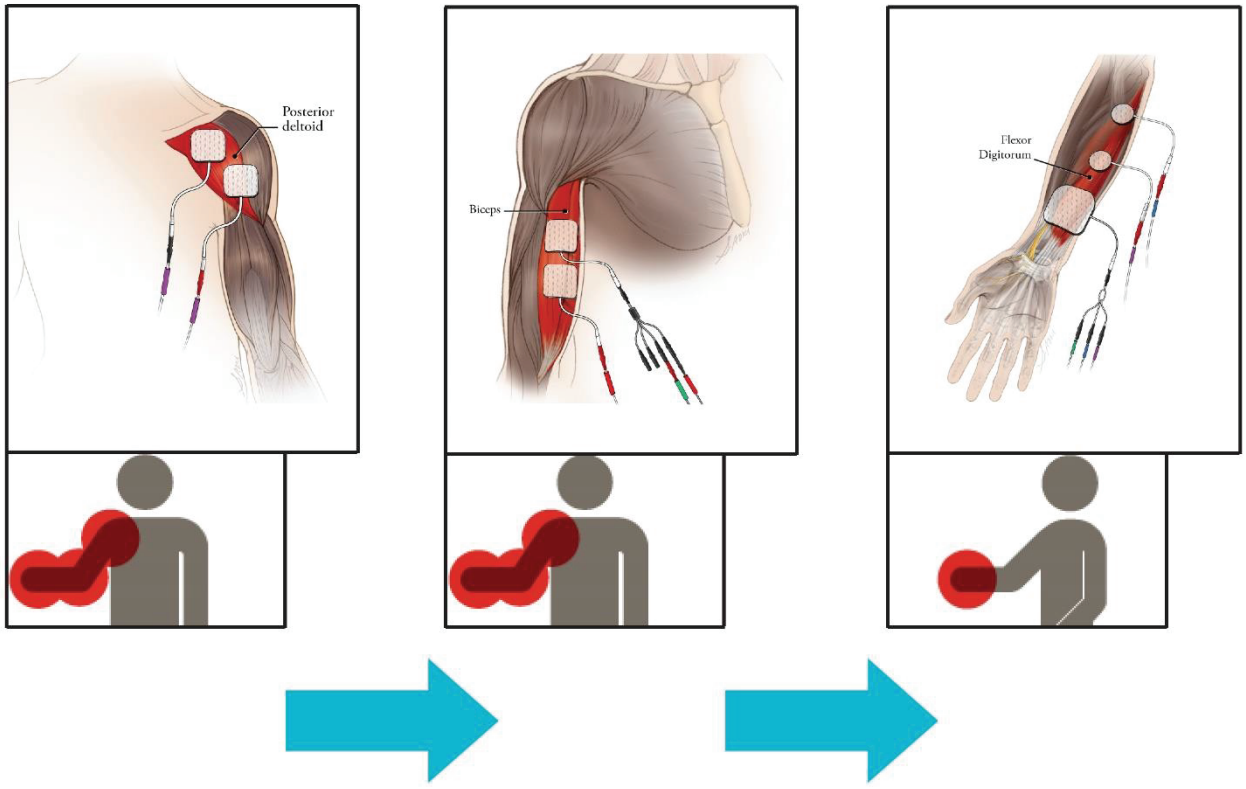

Figure 7: Sample placement for upper extremity treatment
Source: MyndTec Inc.

MyndMove™ utilizes a unique and proprietary technology to deliver stimulation therapy without the discomfort and pain often seen with other stimulation products. Treatments can be customized to address specific clinical deficits for each patient using sophisticated software protocols. Patients use real-world objects and routine tasks to regain voluntary function and independence. MyndMove™ stimulates the brain to form and reorganize synaptic connections to increase neuroplasticity. The therapy is based on daily task-specific learning: intense, interactive and adaptive training of sub-movements from adult to pediatric patients.

The initial indication for use of MyndMove™ is for treatment of the entire upper extremity with a single stimulator from the shoulder to the fingers. The Company is continuing to develop additional applications designed to address a broader scope of paralysis, including lower limb applications for walking.

Neuroplasticity

Neuroplasticity, also known as brain plasticity, refers to changes in neural pathways and synapses which are due to changes in behaviour, environment and neural processes, as well as changes resulting from bodily injury. Neuroplasticity has evolved from a historical medical point of view that the brain is a physiologically static organ and explores how, and in which ways, the brain changes throughout life.

Neuroplasticity occurs on a variety of levels, ranging from cellular changes from learning to large-scale changes involved in cortical remapping in response to injury. The role of neuroplasticity is widely recognized in healthy development, learning, memory and recovery from brain damage.

Neuro-scientific research indicates that a person's experience changes both the brain's physical structure (anatomy) and functional organization (physiology). Neuroplasticity explains improvements in functional outcomes with physical therapy post stroke. Rehabilitation suggests cortical reorganization as the mechanism of change and includes constraint-induced movement therapy, functional electrical stimulation, treadmill training with body weight support and virtual reality therapy.

Treatment Overview

A MyndMove™ therapy session currently involves practicing a variety of precise reaching and grasping protocols such as:

- holding a cup;
- holding a pen;
- bringing the hand to the mouth;
- reaching to the side;
- reaching forward; and
- picking up, holding and manipulating everyday objects.

Figure 8: MyndMove™ therapy – grasping
Source: MyndTec Inc.

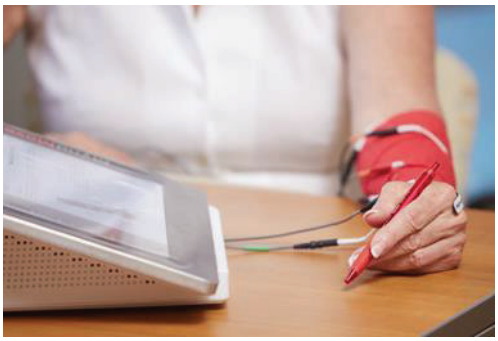

Figure 9: MyndMove™ therapy - holding pen
Source: MyndTec Inc.

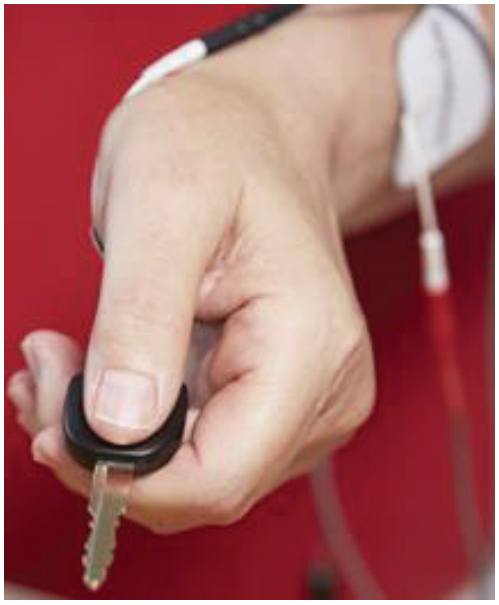

Figure 10: MyndMove™ therapy - key grip
Source: MyndTec Inc.

The solution was invented and developed by Dr. Milos Popovic at KITE. The technology is based on the mechanism of neuroplasticity. See “Description of the Business – Neuroplasticity”.

As demonstrated in Figure 11, a 2011 randomized control trial[3] demonstrated substantial improvements for patients treated with MyndMove™ versus patients treated with conventional occupational therapy. The study employed the use of a standardized metric called the ‘spinal cord independence measure’ which assessed an individual’s ability to feed, bathe, dress, groom and toilet themselves after a spinal cord injury. The improvement in patient mobility using MyndMove™ versus a control group was statistically relevant.

[3] M Popovic, N Kapadia, V Zivanovic, J Furlan, C Craven, C McGillivray: *Functional Electrical Stimulation Therapy of Voluntary Grasping Versus only Conventional Rehabilitation for Patients with Subacute Incomplete Tetraplegia*, Source: Neurorehabilitation and Neural Repair. 2011:25:5-433.

This randomized control trial demonstrates superior patient outcomes with MyndMove™ in their therapies over those patients only receiving conventional therapies.

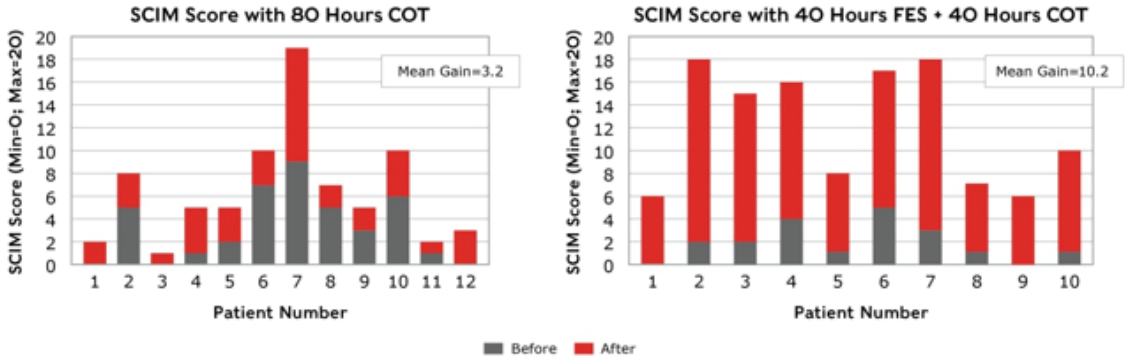

Figure 11: Popovic, M, Kapadia, N, Zivanovic, V, Furlan, J, Craven, C, McGillivray, C. Functional Electrical Stimulation Therapy of Voluntary Grasping Versus only Conventional Rehabilitation for Patients with Subacute Incomplete Tetraplegia
Source: Neurorehabilitation and Neural Repair. 2011:25:5-433

Research & Development

We are committed to investing in a research and development program to enhance our current products and to develop our pipeline of new and complementary products, and we believe that ongoing research and development efforts are essential to our success. Our research and development team is comprised of two in-house engineers, and one quality assurance and regulatory staff member, together with key external partnerships with industry, academic and clinical research facilities, all working collaboratively to design, enhance and validate our technologies.

MyndTec is working with the following key external partners in its research and development efforts:

Prolucid Inc. (since 2011)
Prolucid Inc. is a software firm working with MyndTec to support MyndTec's cloud based architecture, database management, security and application development.

RMF (since 2011)
RMF provides concept and design services related to the electronic components for the MyndMove™ device. RMF also provides prototyping of early-stage design and manufacturing assistance for commercial product.

Design Resource Group Engineering (since 2019)
Design Resource Group Engineering ("**DRGE**") assists the Company in the design of early stage prototypes and enhancements of electronic circuitry for the MyndMove™ device. The Company contracts for DRGE's services on a purchase order basis. DRGE provides second sourcing to the work contracted with RMF and DRGE serves to help the Company mitigate risks associated with single sourced suppliers for critical components and services.

DesignForce (since 2021)
DesignForce is a boutique engineering firm in Toronto which provides engineering services for development and testing of components for the MyndMove™ device. DesignForce contracts its services on a purchase order basis and provide further second sourcing of services which help mitigate risks of single sourced supplier for critical components and services.

KITE (since 2016)
KITE is a world-class rehabilitation research facility. MyndTec has contracted with KITE to supply clinical applications for integration into MyndMove™. MyndTec believes that its access to the KITE network of scientists and clinical researchers facilitate faster commercialization of its products.

UHN (since 2012)
UHN assists MyndTec by providing clinical testing of MyndTec's device throughout product development cycles and beta testing of new product releases. UHN's clinical sites, such as the Lyndhurst and downtown Toronto facilities, work with MyndTec in developing and executing formal clinical studies such as the United States Department of Defence Clinic Trial.

Our research and development staff create, build and test prototypes before refining and/or redesigning them as necessary. Our regulatory and clinical personnel work in parallel with engineers and researchers, which we believe allow us to anticipate and resolve potential issues at early stages in the development cycle.

Our clinical research partners include the Lyndhurst Center (part of the UHN clinical network), MetroHealth Medical Center / Louis Stokes Cleveland VA Medical Center, TIRR Memorial Hermann, HealthTech Connex Centre for Neurology Studies / NeuroMotion Physiotherapy Clinics and St. Joseph's Healthcare – Hamilton / McMaster University.

The Company has enhanced its research and development efforts through a formal partnership with KITE. We believe this collaboration will enhance and accelerate delivery of products to market. In addition, this partnership provides exclusive license to intellectual property that will be vital to the commercial expansion of the Company's product portfolio. See "Material Contracts – UHN Master Collaboration Agreement" and "Material Contracts – UHN License Agreement".

We plan to increase our investment in research and development in the future by enhancing our cloud-based platform, developing future hardware and software improvements for the MyndMove™ device and expanding our clinical applications to improve mobility outcomes in stroke, SCI and related neurological conditions.

Department of Defense Clinical Trial

The Company is currently conducting a post-market clinical trial to further expand its body of clinical outcome data for MyndMove™. This trial is principally funded by the SCI Research Program under the United States Department of Defense Office of the Congressionally Directed Medical Research Programs, award number W81XWH-16-1-0790, for a total amount of US$2,014,378 (See note 18 to the Financial Statements for the year ended December 31, 2020). The trial began with the enrollment of approximately 60 patients in January 2020 and is scheduled to conclude in March 2022. This is a randomized two-arm, parallel group, multicenter, single-blind, controlled trial comparing electrical neuromodulation delivered by MyndMove™ therapy to intensive upper-limb conventional therapy in the treatment of individuals with moderate to severe motor impairment to their arms and hands from an incomplete, cervical, traumatic SCI.

The Company is responsible for managing the clinical trial of its MyndMove™ device and is eligible to recover all costs of the participating clinics and supervising clinic once the respective funds have first been received from the United States Department of Defense. The Company expects to report results by July 2022. For more information regarding these arrangements, see "Selected Financial Information and Management's Discussion and Analysis".

UHN Master Collaboration Agreement

On February 26, 2020, we entered into a master collaboration agreement ("**UHN Master Collaboration Agreement**"), which was amended on January 5, 2021, with University Health Network ("**UHN**"). Pursuant to the UHN Master Collaboration Agreement, the Company will sponsor, fund or collaborate with KITE for

the research, development, testing and commercialization of the MyndMove™ technology. KITE's expertise includes injury prevention, restoration of function following injury or illness, enhanced participation and independent living. Pursuant to the UHN Master Collaboration Agreement, we intend to work directly with KITE to develop new treatments, devices and products as well as gathering evidence that guides changes to policy and public opinion that improve the lives of people living with the effects of disability, illness and aging. Currently, the Company and KITE are collaborating on an improvement to MyndMove™ to support the addition of protocols related to the treatment of lower limbs with a focus on regaining the ability to walk independently. This collaboration includes development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions.

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. We will continue to focus our research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionality of the platform. In the past, these expenses have qualified for Canadian federal Scientific Research and Experimental Development Program ("**SR&ED"**) cash refundable tax credits. The Company no longer qualifies for cash refundable SR&ED credits.

For a summary of the key terms of the Company's alliance with UHN, see "Material Contracts – UHN Master Collaboration Agreement" and "Material Contracts – UHN License Agreement".

Sales and Marketing

North America

In the United States, the Company sells MyndMove™ to clinics and institutions through a distributor (see "Material Contracts – Exclusive Distribution Agreement"). In Canada, the Company sells MyndMove™ through direct sales to clinics and institutions.

In 2021, there were 17 rehabilitation clinics in Canada and three rehabilitation clinics in the United States of America using the Company's MyndMove™ device. These sales were negotiated directly by the Company with the respective clinics. The Company is in the process of identifying potential distribution partners in the United States of America and has started preliminary discussions regarding potential distribution in Singapore and Malaysia. On September 29, 2021, the Company entered into an exclusive distribution agreement with LBB with respect to the distribution of the MyndMove™ device in the United States of America. See "Material Contracts – Exclusive Distribution Agreement".

The Company has limited revenue and during the 2020 and 2019 fiscal years it generated revenue of $162,634 and $311,447, respectively, primarily from fees-for-service and capital sales of the MyndMove™ device.

Technology Adoption Marketing Model

The Company is developing a technology adoption model for its primary customers, hospitals, clinics and therapists to address the challenge of managing the quality of delivery of MyndMove™ therapy. Starting with strategic accounts and expanding through distribution partnerships and direct sales, the Company expects to achieve market adoption through a clinical evaluation model. This approach allows a prospective customer to integrate the MyndMove™ therapy for a limited period and gain confidence in the clinical utility of our technology. Our primary goal with this approach is to assist clinicians in quickly improving clinical outcomes for patients. Clinicians utilize their own clinical data and hands-on experience to complete the necessary business value analysis to justify the adoption of MyndMove™ as a best practice tool within their continuum of care. Adoption increases as they see an increase in referrals resulting from the positive clinical outcome for patients using this new treatment modality.

Our operations in Mississauga provide dedicated customer service as well as access to technical service personnel and clinical consults. We aim to provide quality service to our customers and build a community of MyndMove™ clinics and therapists. We provide the following services and customer support functions:

Training

Physical therapists and occupational therapists must complete a two-day course prior to becoming a MyndMove™ trained therapist and being allowed to administer the therapy to patients and clients. Therapists are taught the theory, trained on the safe use of the MyndMove™ device and effective delivery of the therapy. They gain hands on experience by practicing on other therapists, experiencing the stimulation themselves and spending time practicing delivering MyndMove™ therapy to stroke and SCI volunteers under the supervision of our trainers. The training sessions also offer the opportunity to introduce patients and their families to MyndMove™ therapy by experiencing the therapy at no cost to the volunteer. Multiple clinics have reported the conversion of a stroke or SCI volunteer in the training session into a paying client. With the recent impact of the COVID-19 pandemic, the Company has enhanced its training program to facilitate remote training in a virtual learning environment. With this option, the entire training program can be delivered to multiple trainees via our web-based platform. We integrate instructor-led classroom training with live video and web-based tools to provide a comprehensive individualized program.

Education of the Influencers

We seek opportunities to educate physicians and therapists on the benefits of MyndMove™ therapy to increase referrals to our partner clinics. These opportunities include demonstrations at conferences, trade shows, "lunch-and-learn" opportunities for groups of therapists at major rehabilitation hospitals, "in-service" demonstrations to therapists at community clinics and "open house demonstrations" where clinics invite therapists, key members of their referral networks, stroke or SCI clients and their families to attend and experience a trial of MyndMove™ therapy. We have created a range of educational and promotional materials including science-based information packages, brochures and presentations. As with our training program, the Company can deliver these as virtual events as required by customers or as COVID constraints may require.

Information Sharing

The Company currently hosts regular teleconferences for MyndMove™ therapists. These calls provide a forum for sharing case studies, best clinical practices, new opportunities and trends and creating a community for the therapists.

Multimedia Marketing of Patient Success Stories

The Company’s website includes a sampling of client success stories. We support our clinics in outreach programs to local media and patient support groups, and feature their stories in the media section of our website. The Company uses social media such as LinkedIn to promote success stories, events and news stories featuring MyndMove™.

Conferences and Scientific Publications

The Company intends to participate in key conferences that target key opinion leaders and medical professionals who treat stroke and SCI individuals. Currently, these are primarily virtual events due to constraints of the COVID-19 pandemic. As in-person conferences are re-instituted, the Company expects that it will transition back to exhibiting in person at these conferences.

Business Model

We believe the MyndMove™ device is a versatile platform technology capable of delivering a full range of therapeutic interventions, each based on defined algorithms that leverage the core platform to create new protocols.

In the United States, the Company sells MyndMove™ to clinics and institutions through a distributor (see "Material Contracts – Exclusive Distribution Agreement"). In Canada, the Company sells MyndMove™ through direct sales to clinics and institutions, that primarily target the following customers:

- large, multi-hospital healthcare enterprises;
- rehabilitation hospitals specializing in the treatment of paralysis resulting from stroke and SCI; and
- private rehabilitative clinics.

The Company believes that its business is not subject to material cyclical changes, such as regular seasonal patterns; however, its business is impacted by hospital, clinic and government annual capital and operating budgetary considerations, as well as the COVID-19 pandemic.

On September 29, 2021, the Company entered into an exclusive distribution agreement with LBB for the State of Michigan, the Exclusive Customers and other locations of Exclusive Customers and their affiliates. See "Material Contracts – Exclusive Distribution Agreement". The Company has been working with MVM to sell to the Veteran's Administration hospitals. MyndTec is also in the early stages of establishing a distribution partnership opportunity by having signed a non-binding term sheet with Fourier Intelligence International Pte. Ltd. ("**Fourier**") for the distribution of the MyndMove™ device in Singapore and Malaysia. Negotiations are currently ongoing to reach a final distribution agreement but we cannot assure that the negotiations will result in a distribution agreement with Fourier. See "Risk Factors – Risks Relating to Our Reliance on Third Parties – Reliance on Third Party Distributors".

The Company also utilizes direct communication channels to inform and educate patients about MyndMove™. Our primary methods of patient outreach include our website and social media sites such as LinkedIn. The objective of this outreach is to bring patients to our website, where they can find educational materials and videos on the use and benefits of MyndMove™, contact information for physicians and clinical sites and information regarding community awareness events.

Our business model supports two deployment options to provide the MyndMove device designed to meet the financial needs of each customer:

Fee-For-Service Arrangements

Our primary approach is a "fee-for-service" model. This is a "pay-as-you-go" approach with fees paid each time MyndMove™ is used in treating patients. With this option, the customer signs a one-year agreement in which we provide hardware, software, training and support and charge a modest fee each time MyndMove™ is used. This approach mitigates the need for customers to make large upfront investments of capital to purchase the system. It allows us to sell at any time, avoiding the delay of synchronizing with institutional capital budgeting cycles.

Ultimately, revenue will be dependent upon (a) the number and type of agreements in place, (b) the number of trained MyndMove™ therapists assigned to a MyndMove™ device and (c) the number of treatments delivered using each MyndMove™ device.

Capital Purchase Agreements

In some cases, customers will only adopt the technology through a capital purchase program. In these cases, customers can purchase a system and obtain hardware updates, software updates, training and support through the purchase of an annual service agreement. This annual service agreement guarantees availability of the latest hardware and software updates, additional training and technical support throughout the service year.

Historically, to sell MyndMove™ devices, the Company relied on selling directly to customers which was not the Company's expertise, and the Company lacked access to decision makers,

understanding of customer sales cycles and the critical mass required to sell to a meaningful number of customers per quarter. To mitigate this issue and increase the predictability of sales of the MyndMove™ device, the Company has refined its business model to enter into arrangements with distribution partners and sales agents who have relationships, sales and marketing depth and focus.

Manufacturing

The Company oversees the final assembly and testing of MyndMove™ devices at the facilities of our contract manufacturer, RMF located in Mississauga, Ontario. The Company purchases many of the components and raw materials used in manufacturing the MyndMove™ device from numerous suppliers in various countries. For quality assurance, sole source availability, or cost effectiveness purposes, the Company may procure certain components and raw materials from a sole supplier. The Company works closely with its suppliers to ensure continuity of supply while maintaining high quality and reliability.

As the manufacturer of record with the FDA and Health Canada of MyndMove™, we ultimately remain responsible to the FDA and Health Canada for overseeing RMF's manufacturing activities to ensure that they satisfy product specifications and applicable laws and regulations, including the FDA's good manufacturing practice requirements for medical devices. See "Risk Factors – Risks Relating to Our Reliance on Third Parties – Reliance On Our Manufacturer and Suppliers".

The Company purchases most of its electronic components and supplies via its contract manufacturer, RMF. Components are sourced primarily through large third party providers based in Asia as well as the United States of America. The Company has minimized the use of customized parts in the assembly of the MyndMove™ device to mitigate risks of a limited supply. The Company regularly audits suppliers of any critical components as part of its quality plan and regulatory compliance to ISO 13485 standard. The Company received its "Notified Body" certification to ISO 13485 on August 10, 2021. See "Regulatory Environment and Industry Standards – Canada" and "Regulatory Environment and Industry Standards – Foreign Governmental Agencies".

The table below summarizes the current inventory of MyndMove™ devices – of which 48 are MyndMove™ 1.0 and three are MyndMove™ 2.0. The original MyndMove™ devices are functionally equivalent to MyndMove™ 2.0. The production of the legacy MyndMove™ devices are discontinued because certain parts are no longer available. Therefore, for internal tracking purposes the Company introduced MyndMove™ 2.0. If future production of units, is required, the Company will be producing MyndMove™ 2.0.

MyndMove™ Device	**Units In Inventory**	**Production Cost**
MyndMove™ 1.0(1)	48	$10,000
MyndMove™ 2.0(2)	3	$10,000
MyndMove™ 3.0(3)	0	Not In Production
Total	**51**	

Notes:

(1) MyndMove™ 1.0 is a legacy device.

(2) MyndMove™ 2.0 is the only product the Company currently produces.

(3) MyndMove™ 3.0 is in development.

ISO 13485 Compliance

As a medical device manufacturer in Canada, the Company is required to maintain compliance to ISO standard 13485. Health Canada, as well as the European Union and other jurisdictions, require medical device manufacturers to hold a valid certificate of compliance to this standard to sell product in these jurisdictions. The standard requires that manufacturers establish a robust quality management system with policies and procedures including an internal audit program. This program requires us to perform annual quality audits of all critical suppliers which ensures that components from these suppliers will meet the quality requirements established by the Company. The Company is certified to ISO 13485: 2016 standard, holds of a Canadian Class II medical device license, and is a registered FDA Establishment with a cleared product in the United States. To provide objective evidence of this compliance, the Company has engaged a third party, TUV SUD Canada Inc., to conduct a 3-year certification and annual surveillance audits of its quality management system to verify the Company's ongoing compliance to the standard, the Canadian Medical Device Regulation and the FDA Quality System Regulation under the MDSAP (Medical Device Single Audit Program).

Industry Overview & Trends

The Company believes that intensive movement and sensory stimulation are key success factors for a patient's success in regaining motor skills following stroke and spinal cord injury. MyndMove™ works by coordinating a patient's attempts to achieve desired movement and functional electrical stimulation to support it.

Emerging companies in this space are trying to drive innovation and quality of treatment. To date, key obstacles such as lack of reimbursement, high cost of capital equipment and products that are complex and cause pain or discomfort have prevented widespread adoption of functional electrical stimulation as a standard of care.

The Company's initial target markets are for patients affected with upper extremity paralysis as a result of stroke and SCI. MyndMove™ can be used on acute patients soon after injury as well as chronic patients experiencing continued paralysis for years after injury.

Many of our stroke and SCI patients face significant challenges of mobility and as such may not always be able to travel to a clinic or hospital for treatment. In light of these constraints, the Company has applied for and received a medical device license from Health Canada for use in the patient's home environment with a trained therapist. This expansion into the home environment will allow the Company to treat a new and formally under-served patient population.

The Company believes that neurorehabilitation markets are experiencing strong growth globally and are under-penetrated due to the lack of a gold standard of care. Currently, there are few, if any, effective treatments for restoring voluntary motor function to millions of individuals globally that suffer severe paralysis each year after stroke or SCI. Paralysis of the arms and hands is particularly devastating to individuals as it is associated with the difficulty or inability to perform simple activities of daily living such as eating, bathing, grooming, dressing and toileting. The loss of independence is accompanied by the need for long-term assistive care and significant increases in healthcare costs. In United States of America, stroke is the leading cause of adult long-term disability, with the cost of long-term care and management of stroke survivors estimated at $34 billion per year.[4] Someone in the United States of America dies of stroke every four minutes.[5] Every year, more than 795,000 people in the United States of America have a stroke.[6] Effective treatment of paralysis will allow patients to regain dignity and independence and reduce the economic burden on individuals and society due to these catastrophic events. As a result, the Company

---

[4] L Miller; *Stroke Recovery: A Comprehensive, Evidence-Based Approach to Improving Function in the Upper and Lower Extremities*, Source: Summit Professional Education (*Stroke Recovery*).

[5] *Neurorehabilitation Devices Market, supra* note 1.

[6] *Stroke recovery, supra* note 4.

estimates a total market of more than $13 billion for the treatment of individuals currently living with moderate to severe paralysis of arm and hand function in the United States of America and Canada.[7]

Reimbursement

MyndMove™ received 510(k) clearance from the FDA. MyndMove™ is also licensed by Health Canada and commercially available in over a dozen clinics across Canada. See "Description of the Business – MyndMove™".

Our customers include: (a) clinics treating patients who are paying privately for MyndMove™ therapy; (b) auto insurers who pay for treatment of individuals with a catastrophic injury after a motor vehicle accident; and (c) the Workplace Safety Insurance Board of Ontario paying for the treatment of an individual following workplace injury. Individuals with arm and hand paralysis following stroke, SCI and other injuries are being successfully treated with MyndMove™.

Competitive Conditions

The Company believes that an effective treatment for arm and hand paralysis remains a critical unmet medical need and is a competitive area of research and development focused on commercializing new product offerings. Invasive interventions such as stem cell therapy, exogenous tissue engineering and implants are considered investigational, expensive and unproven. Non-invasive strategies include competitive electrical stimulators, robotic devices, mechanical therapies and constraint induced movement therapy.

The Company is in a market where surface functional electrical stimulation technology and devices are a method of treatment for paralysis. At the same time, the Company believes that there are limitations in commercial alternatives and standard of care. This combination of a large market and unmet clinical (and commercial) need present the Company with global opportunities to improve patient outcomes and to assume commercial leadership in the paralysis rehabilitation market.

Many commercial stimulation devices have limited variety of grasping and/or reaching tasks that their product can perform. The inability to target particular muscle groups thereby prevents patients from recovering from upper extremity paralysis. Furthermore, commercial surface stimulation alternatives require high-intensity pulses to stimulate nerves. High intensity electric current pulses exhaust patients and even cause pain, making completion of therapy difficult for them.

Robot-assisted therapy is sometimes recommended for motor rehabilitation of stroke and spinal cord injury patients. These are generally electro-mechanical devices designed to assist in movement; however, they cease to provide this benefit when not worn by the patient and the carry over effects are clinically insignificant (i.e., the improvements are not fundamentally changing the quality of life for the treated patients). More importantly, these robotic devices have not achieved superior clinical results as they have not enabled patients to fully restore movements to achieve independence.

The Company believes that the current generation of MyndMove™ assists in achieving a sustainable, organic recovery of voluntary function. It is (a) non-invasive; (b) based on the Company's research, effective on severe and moderate impairment of arm and hand; (c) able to treat the entire upper extremity from shoulder to fingers; (d) suitable to treat both arms simultaneously; (e) suitable for treating stroke, SCI and

---

[7] *Neurostimulation Devices Market Size By Product (Deep Brain Stimulator, Gastric Electric Stimulator, Spinal Cord Stimulator, Sacral Nerve Stimulator, Vagus Nerve Stimulator, Transcutaneous Electrical Nerve Stimulation [TENS]), By Application (Pain Management, Epilepsy, Essential Tremor, Urinary and Fecal Incontinence, Depression, Dystonia, Gastroparesis, Parkinson's Disease), COVID-19 Impact Analysis, Regional Outlook, Growth Potential, Competitive Market Share & Forecast, 2021 – 2027,* Source: Global Markets Insights (January 2022).

other causes of paralysis; (f) based on the Company's research, able to improve voluntary movement; and (g) based on the Company's research, able to increase self-care independence.

The Company believes that competition for MyndMove™ consists of functional electrical stimulation devices aimed at patients who face upper and lower limb paralysis and paresis after stroke, traumatic brain injury or damaging events. Direct competition to the MyndMove™ device includes devices on the market that focus on improving hand function. In comparison, the MyndMove™ device has the ability to include stimulation protocols for arm in addition to hand anatomical sites. Similar devices focus on hand and arm muscles. Direct competition to the MyndMove™ device is represented by Bioness, Inc.'s device (NESS H200 Wireless Hand Rehabilitation System) and Restorative Technologies, Inc.'s device (Xcite).

With more than 30 pre-programmed, customizable reaching and grasping protocols, MyndMove™ comprises a system that facilitates various functional movements of arms and / or hands, using less current charge than most competitors. In addition, the Company believes that the lower current charge helps in greater patient comfort during the therapeutic process, thereby improving the patient's experience, increasing the likelihood of therapy adherence and reducing the potential for adverse outcomes such as skin irritation. The Company believes that this represents a critical advantage of MyndMove™, which ensures patient safety and comfort and helps in the therapeutic process.

In order to continue to compete effectively, the Company must continue to create or acquire advanced technology, incorporate this technology into proprietary products, obtain regulatory approvals in a timely manner, maintain high-quality manufacturing processes and successfully market these products. See "Risk Factors – Risks Relating to our Business Operations".

Our Employees & Culture

As of January 31, 2022, MyndTec employed seven employees and a number of consultants and/or subcontractors as needed to support our operations. None of our employees are unionized, represented by a labour organization, or are party to a collective bargaining agreement. The Company believes it has been successful in attracting and retaining qualified personnel in a highly competitive labour market due to its competitive compensation and benefits and its rewarding work environment. See "Risk Factors – Risks Relating to our Business Operations".

As with the rest of the world, we have been impacted by the COVID-19 pandemic. In March 2020, routine sales and marketing activities were temporarily suspended and the Company closed its physical offices, transitioning its team into a virtual work environment. Even before the COVID-19 pandemic, we embraced a "work remotely" model, striking a balance between in-office and remote work. By April 2020, the management team developed a comprehensive COVID-19 response plan to guide the Company as it adapted to new operating conditions. In addition, we have implemented measures to prioritize the health and safety of our workforce and we comply with applicable laws and regulations in respect of COVID-19. Our health and safety workplace committee advised staff on new policies and procedures with a focus on prioritizing the safety and wellness of staff and compliance with applicable laws and regulations. Management believes that the transition to the virtual team environment has been successful and management intends to carry it forward as part of the Company's post-pandemic operational plans.

Government Loans and Subsidy Programs

Due to the economic hardships presented by the COVID-19 pandemic, in 2020, the Company availed itself of a government loan program designed to assist companies negatively impacted by the COVID-19 pandemic. The Company received a $40,000 Canadian Emergency Business Account ("**CEBA**") loan to support operating expenses, which is recorded at fair value in the Company's Financial Statements, in the year ended December 31, 2020. This is a non-interest bearing loan due on or before December 31, 2022. If the Company fully repays the CEBA loan by the due date, $10,000 of the loan will be forgiven. The Company also participated in the Canada Emergency Wage Subsidy program ("**CEWS**") designed to mitigate some of the impact to employers faced with significant revenue reductions and continued economic pressures. The program provided a subsidy designed to mitigate the risk of loss of employment of staff as

a result of the COVID-19 pandemic. The Company received $161,928 of federal government COVID payroll subsidies in the year ended December 31, 2020 and nil for the year ended December 31, 2021. See "Risk Factors – Risks Relating to our Business Operations – Public Health Crises".

Our Intellectual Property

The Company has 26 issued patents and five UHN families of patents, in addition to several to be filed that underpin the Company's ability to optimize surface functional electrical stimulation device performance. In addition, the Company's considerable expertise, trade secrets, copyrights, and registered trademarks further contribute to a high wall of protection for its solutions.

A summary of the Company's patented technologies is set forth below:

Electrical Stimulation System with Pulse Control
(Owned; seven patents)

Stimulation system and method to produce a waveform with very fast rise time. This preferentially activates muscle fibers using less current than traditional stimulators, resulting in less discomfort for the patient and leading to higher compliance with treatment.

Method for Functional Electrical Stimulation Therapy
(Owned; two patents; three applications)

Method of stimulation using the lumbricalis muscles of the hand. These treatment protocols allow re-training of specialized grasps that facilitate activities of daily living, such as writing and manipulating small objects.

Functional Electrical Stimulation Device and System, and Use Thereof

(Licensed; eight patents)

Stimulation electronics that generate a charge-balanced bipolar waveform with fast rise time and consumes low power. This reduces discomfort for the patient and facilitates battery operation for portability and long life.

Brain Computer Interface

Wireless Implantable Data Communication System, Method and Sensing Device
(Owned; two patents)

System to send waveforms to or from implanted devices with low power and low complexity. Can be used to monitor brain activity from a permanently implanted device.

Method and System for Brain Activity Signal-based Treatment and/or Control of User Devices
(License discussions; one patent; five applications)

System and method to quickly and accurately detect the intent to perform an action from surface electrodes. Can be used to trigger functional stimulation therapy for improved outcomes or to control prosthetic devices.

ELECTRICAL STIMULATION SYSTEM WITH PULSE CONTROL

CANADA	49036-3028	DCA	13 Mar 2014	2906229	11 Aug 2020	2906229	ISSUED	MyndTec Inc.
CHINA	49036-3029	DCA	13 Mar 2014	2014800222880	08 Mar 2017	ZL 201480022288.0	ISSUED	MyndTec Inc.
EUROPEAN PATENT	49036-3031	DCA	13 Mar 2014	14762968.7	26 Jun 2019	2968938	ISSUED	MyndTec Inc.
JAPAN	49036-3032	DCA	13 Mar 2014	2015561862	09 Aug 2019	6568803	ISSUED	MyndTec Inc.
UNITED KINGDOM	49036-3034	DCA	13 Mar 2014	14762968.7	26 Jun 2019	2968938	ISSUED	MyndTec Inc.
FRANCE	49036-3035	DCA	13 Mar 2014	14762968.7	26 Jun 2019	2968938	ISSUED	MyndTec Inc.
GERMANY	49036-3036	DCA	13 Mar 2014	14762968.7	26 Jun 2019	2968938	ISSUED	MyndTec Inc.
UNITED STATES	49036-3030	DCA	11 Sep 2015	14/775,581	14 Mar 2017	9,592,380	ISSUED	MyndTec Inc.

FUNCTIONAL ELECTRICAL STIMULATION DEVICE AND SYSTEM, AND USE THEREOF

CANADA	49036-3009	DCA	02 Jun 2011	2801333	20 Nov 2018	2801333	ISSUED	University Health Network
CHINA	49036-3010	DCA	02 Jun 2011	2011800383643	16 Dec 2015	201180038364.3	ISSUED	University Health Network
EUROPEAN PATENT	49036-3011	DCA	02 Jun 2011	11789011.1	01 Apr 2015	2575962	ISSUED	University Health Network
JAPAN	49036-3012	DCA	02 Jun 2011	2013512706	17 Jul 2015	5778263	ISSUED	University Health Network
UNITED STATES	49036-3013	DCA	02 Jun 2011	13/701,722	04 Nov 2014	8,880,178	ISSUED	University Health Network
UNITED KINGDOM	49036-3025	DCA	02 Jun 2011	117890111	01 Apr 2015	2575962	ISSUED	University Health Network
FRANCE	49036-3026	DCA	02 Jun 2011	117890111	01 Apr 2015	2575962	ISSUED	University Health Network
GERMANY	49036-3027	DCA	02 Jun 2011	117890111	01 Apr 2015	2575962	ISSUED	University Health Network
UNITED STATES	49036-3018	CON	29 Sep 2014	14/500,749	13 Sep 2016	9,440,077	ISSUED	University Health Network

METHOD AND SYSTEM FOR BRAIN ACTIVITY SIGNAL-BASED TREATMENT AND/OR CONTROL OF USER DEVICES

UNITED KINGDOM	49036-3044	DCA					PROPOSED	University Health Network
FRANCE	49036-3045	DCA					PROPOSED	University Health Network
GERMANY	49036-3046	DCA					PROPOSED	University Health Network
CANADA	49036-3039	DCA	02 Sep 2015	2960148			PUBLISHED	University Health Network
UNITED STATES	49036-3040	DCA	02 Sep 2015	15/450,839	05 Feb 2019	10,194,858	ISSUED	University Health Network
EUROPEAN PATENT	49036-3043	DCA	02 Sep 2015	15838978.3			ALLOWED	University Health Network
CANADA	49036-3041	CEQ	07 Mar 2017	2960192			PUBLISHED	University Health Network
UNITED STATES	49036-3042	CON	07 Jan 2019	16/241,451			ALLOWED	University Health Network
UNITED STATES	49036-3047	CON	03-May-21	17/306,080			PENDING	University Health Network

METHOD FOR FUNCTIONAL ELECTRICAL STIMULATION THERAPY

CANADA	49036-3020	DCA	26 Jun 2013	2877907			ALLOWED	MyndTec Inc.
EUROPEAN PATENT	49036-3022	DCA	26 Jun 2013	13809036.0			ALLOWED	MyndTec Inc.
JAPAN	49036-3023	DCA	26 Jun 2013	2015518744	07 May 2020	6700041	ISSUED	MyndTec Inc.
CHINA	49036-3024	DCA	26 Jun 2013	2013800429383	13 Oct 2017	ZL 201380042938.3	ISSUED	MyndTec Inc.
UNITED STATES	49036-3021	DCA	24 Dec 2014	14/411,200	11 Apr 2017	9,616,224	ISSUED	MyndTec Inc.
UNITED KINGDOM	49036-3048	DCA				2,882,489	ISSUED	MyndTec Inc.
FRANCE	49036-3049	DCA				2,882,489	ISSUED	MyndTec Inc.
GERMANY	49036-3050	DCA				2,882,489	ISSUED	MyndTec Inc.

WIRELESS IMPLANTABLE DATA COMMUNICATION SYSTEM, METHOD AND SENSING DEVICE

UNITED STATES	49036-3019	DCA	15 Mar 2013	14/390,160	09 Jan 2018	9,861,282	ISSUED	MyndTec Inc.
UNITED STATES	49036-3033	CON	27 Nov 2017	15/823,121	09 Jul 2019	10,342,426	ISSUED	MyndTec Inc.

Any significant impairment of, or third party claims against, our intellectual property rights could harm our business or our ability to compete. We are subject to risks related to our intellectual property. For more information, see "Risk Factors – Risks Relating to Our Intellectual Property".

Specialized Skills and Knowledge

The Company has the qualified personnel required to operate and to develop its technology. Specifically, the Company has access to specialized skills and knowledge of hardware and software development, cloud-based architecture, quality management systems and regulatory compliance for relevant jurisdictions. The academic qualifications of its personnel include degrees in electrical and mechanical engineering and decades of experience in life sciences companies. In addition, the Company's staff and consultants specialize in marketing, sales support, training and IT and network related support of a large installed base of customers.

Our Facilities and Locations

We are headquartered in Mississauga, Ontario and have leased offices at 1900 Minnesota Court, Suite 122, Mississauga, ON. We believe that our current facilities are adequate to meet our ongoing needs for the near and mid-term and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms. The following table outlines details of our leased facility:

Location	Area (in square feet)	Lease Expiration Date	Use
1900 Minnesota Court, Suite 122 Mississauga, Ontario	2057	July 31, 2024	Office Space

Regulatory Environment and Industry Standards

If we fail to comply with applicable local or regulatory requirements, we may be subject to various administrative and legal actions against us, such as product recalls, product seizures and other civil and criminal sanctions. See "Risk Factors – Risks Relating to Government Regulation – Regulatory Compliance Risks".

Quality Management Systems

We actively maintain compliance to FDA 21 CFR Part 820 QSR and ISO 13485 standard for Quality Management Systems for product design and development, manufacturing, distribution, and customer feedback processes. Following the introduction of a product, the FDA, Health Canada and comparable foreign agencies may engage in periodic audits of our quality management system, the product performance, and our advertising and promotional materials. These regulatory controls, as well as any changes in the policies of the FDA, Health Canada or comparable foreign agencies, can affect the time and cost associated with the development, introduction and continued availability of new products. We work to anticipate these factors in our product development processes.

United States Healthcare and Privacy Laws and Regulation

We are subject to broadly applicable fraud and abuse laws, in addition to other healthcare laws and regulations. Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in the United States of America in addition to the FDA, the Centers for Medicare and Medicaid Services ("**CMS**"), the Health and Human Services Department ("**HHS**"), Office of Inspector General and Office for Civil Rights, other HHS divisions, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety and Health Administration, the Environmental Protection Agency and applicable state and local governments.

Additionally, healthcare providers and third party payors play a primary role in the recommendation of medical devices and other medical items and services. Arrangements with various providers, consultants, third party payors and customers are subject to broadly applicable fraud and abuse laws, anti-kickback laws, false claims laws, reporting of payments to physicians and teaching hospitals laws, patient privacy laws and regulations and other healthcare laws and regulations that may constrain our business and/or

financial arrangements. Restrictions under applicable federal and state healthcare and privacy laws and regulations, include the following:

- the federal Anti-Kickback Statute, which makes it illegal for any person, including a medical device manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration, directly or indirectly, intended to induce or reward referrals for which payment may be made under a federal healthcare program, such as Medicare or Medicaid. A person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus imprisonment and exclusion from government healthcare programs. In addition, the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal *False Claims Act* ("**FCA**"). There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution;

- the federal civil and criminal false claims laws, including the FCA, generally prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims to the federal government for payment that are false. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. Healthcare providers that submit claims directly to payors may be liable under the FCA for the direct submission of such claims, and manufacturers may be liable to the extent that they facilitate, encourage the submission of such claims by providers. The FCA permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;

- the federal civil monetary penalties laws, which impose fines for, among other things, the offer of remuneration to a federal healthcare program beneficiary to influence the beneficiary's selection of a particular provider, practitioner, or supplier of goods or services reimbursable by a federal health care program, unless an exception applies;

- the *Health Insurance Portability and Accountability Act of 1996* ("**HIPAA**"), which created additional federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it;

- HIPAA imposes requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as the business associates that perform services for them involving the use or disclosure of individually identifiable health information. HIPAA requires that these entities maintain the privacy and security of HIPAA-protected health information. HIPAA provides for civil monetary penalties where the privacy and security of protected health information is not maintained, and gives state attorneys general authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek legal fees and costs associated with pursuing federal civil actions;

- the federal *Physician Payments Sunshine Act*, created under the *Patient Protection and Affordable Care Act*, and its implementing regulations, which require manufacturers of drugs, devices,

biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to HHS, under the Open Payments Program, information related to payments or other transfers of value made to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations extended to include transfers of value made to certain non-physician providers such as physician assistants and nurse practitioners; and

- analogous state law equivalents of each of the above federal laws that may apply to items or services reimbursed by any third party payor, including commercial insurers or patients, state laws that require device companies to comply with the industry's voluntary compliance guidelines and guidance promulgated by the federal government (or otherwise restrict payments that may be made to healthcare providers and other potential referral sources), state and local laws that require the licensure of sales representatives, state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information, data privacy and security laws and regulations in foreign jurisdictions that may be more stringent than those in the United States of America (such as the European Union, which adopted the General Data Protection Regulation, effective May 2018), state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts and state laws related to insurance fraud in the case of claims involving private insurers.

MyndMove™ and our operations including our supply chain and distribution channels are subject to regulation by the FDA and various other United States of America federal and state agencies. Under the *Federal Food, Drug, and Cosmetic Act*, medical devices are classified as Class I, Class II or Class III, depending on the degree of risk associated with the device, what is known about the type of device, and the extent of control needed to provide reasonable assurance of safety and effectiveness. Classification of a device is important because the class to which a device is assigned determines, among other things, the necessity and type of FDA premarket review. We have elected to list the MyndMove™ device under a Class II device classification regulation for biofeedback devices. While we believe the MyndMove™ device to be exempt from FDA premarket review, the MyndMove™ device is subject to FDA's post-market requirements, which include compliance with the applicable portions of the FDA's Quality System Regulation ("**QSR**"), facility registration and product listing, reporting of adverse medical events, and appropriate, truthful and non-misleading labeling, advertising and promotional materials.

Canada

In Canada, there are numerous federal and provincial laws and regulations related to the privacy and security of personal information, including personal health information. In particular, healthcare professionals who use MyndMove™ are governed by provincial health privacy legislation that protects the privacy and security of personal health information. These laws may be similar to or even more protective than federal privacy laws. In certain cases, it may be necessary to modify our planned operations and procedures to comply with these provincial health privacy laws. Not only may some of these laws impose fines and penalties upon violators, but also some may afford private rights of action to individuals who believe their personal information has been misused. In addition, federal and provincial laws are changing rapidly. We may also be subject to other provincial and federal privacy laws, including laws that prohibit unfair privacy and security practices and deceptive statements about privacy and security and laws that place specific requirements on certain types of activities, such as data security and texting.

We are subject to applicable Canadian and foreign laws regarding cybersecurity and the protection of data and privacy, including the *Personal Information Protection and Electronic Documents Act* (Canada). Further, some jurisdictions have enacted laws requiring companies to notify governmental authorities and/or individuals of certain security breaches, such as those involving certain types of personal data or those giving rise to significant risk of harm to an individual. Additionally, some jurisdictions, as well as our

contracts with certain customers, require us to use industry-standard or reasonable measures to safeguard personal or confidential information.

The regulatory framework in Canada and in many other jurisdictions in respect of cybersecurity and the protection of data and privacy is constantly evolving and is likely to remain uncertain for the foreseeable future. Certain aspects of the interpretation and application of such laws and regulations are also ambiguous. We are subject to risks relating to protection of data and privacy.

In Canada, we are governed by the *Food and Drugs Act and the Medical Device Regulations*. We have obtained a medical device licence for the MyndMove™ device as a Class II system and its components. Manufacturing of our medical devices are subject to ongoing QSR requirements, including meeting the ISO 13485 standard for quality management systems related to product design and development, manufacturing, distribution, and customer feedback processes. We are required to meet post-marketing obligations, including ongoing quality and safety surveillance, reporting of adverse medical events, ensuring truthful and non-misleading labeling, advertising and promotional materials, and carrying out product recalls, if necessary.

Foreign Governmental Agencies

We are also subject to regulation by foreign governmental agencies in connection with international sales. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of MyndMove™.

In the European Union, medical devices are regulated under the European Union Directive (93/42/EEC), also known as the MDD. An authorized third party, also called a 'Notified Body', must approve products for CE marking, which indicates that a product has been assessed by the manufacturer and is deemed to meet EU safety, health and environmental protection requirements (the "**CE Mark**") and conducts periodic inspections to ensure applicable regulatory requirements are met. The CE Mark is contingent upon continued compliance to the applicable regulations and the quality system requirements of the ISO 13485 standard.

The new EU MDR, which was published in May 2017 with a transition period of three years, replaces the MDD. Starting May 2020, the new EU MDR applies and no new applications under the previous directives will be permitted. During the said three-year transition period, companies need to update their technical documentation and other quality management system processes to meet the new EU MDR requirements. Under the new EU MDR requirements, CE certificates issued under the previous directives prior to May 2020 will remain valid in accordance with their term, beyond the expiration of the transition period; however, certain limitations set forth in the EU MDR, such as the need to use classifications that are different from the previous directives would apply.

HISTORY

General Development of the Business

The following is a chronological description of the development of the Company's business.

Fourier

On December 16, 2021, the Company signed a non-binding term sheet with Fourier for the distribution of the MyndMove™ device in Singapore and Malaysia. According to the non-binding term sheet, Fourier will obtain the MyndMove™ device from the Company and will be granted exclusive rights to import, market, sell and distribute the MyndMove™ device in Singapore and Malaysia. Under the non-binding term sheet, Fourier will also be responsible for service as the initial importer and distributor for MyndMove™ devices. In addition, the non-binding term sheet states that Fourier will obtain, at its sole expense, all regulatory approvals required in Singapore and Malaysia for the matters to be set out in the definitive agreement. The initial term of the definitive agreement is expected to be for 24 months, with automatic renewal for 12-month

periods thereafter unless terminated in accordance with its terms or by mutual agreement of Fourier and the Company. The non-binding term sheet is not exhaustive and the definitive agreement may contain additional provisions that are not incompatible with the provisions of the non-binding term sheet. There can be no assurance that the Company will enter into a definitive agreement with Fourier on these terms or any other. See "Risk Factors – Doing Business in Foreign and Emerging Markets".

LBB Exclusive Distribution Agreement
On September 29, 2021, the Company entered into an exclusive distribution agreement (the "**Exclusive Distribution Agreement**") with LBB pursuant to which the Company has appointed LBB as an exclusive distributor of the MyndMove™ device and ancillary hardware software, documentation, supplies and services necessary for the operation or use of each MyndMove™ device. See “Material Contracts – Exclusive Distribution Agreement”.

510(k) Application for Home Use
On July 6, 2021, the Company submitted a 510(k) application for the latest version of the MyndMove™ device that would provide for safe use of the device in the patient’s home environment. This expansion into the "home-use" market will accommodate those patients who are unable to be treated in a hospital or clinic environment. Many of these patients are inherently mobility challenged or prefer the treatment to be delivered in their own home. This can allow the treatments to be further customized to meet the needs of the individual patient and their families.

UHN Master Collaboration Agreement
On January 5, 2021, the Company amended its Master Collaboration Agreement with UHN to include development of new clinical protocols for MyndMove™ designed to assist patients to regain the voluntary use of lower limbs needed for mobility. See "Material Contracts – UHN Master Collaboration Agreement” and “Material Contracts – UHN License Agreement”.

UHN License Agreement
On July 14, 2020, the Company announced the extension of an exclusive license agreement with UHN (the "**UHN License Agreement**"). The partnership, established in 2012, has culminated in the development and commercialization of MyndMove™ therapy in the United States of America and Canada. The extension of the UHN License Agreement will facilitate rapid development of new product features and benefits within the Company's existing product portfolio. In addition, the agreement will enable potential development of new commercial products and services, further expanding the Company's product offerings. For a summary of the key terms of the Company's alliance with UHN, see "Material Contracts – UHN Master Collaboration Agreement” and “Material Contracts – UHN License Agreement”.

MVM Partnership
On June 2, 2020, the Company announced its partnership with Maness Veteran Medical, LLC, (“**MVM**”), a Service-Disabled Veteran-Owned Small Business, to distribute the MyndMove™ device to the United States Department of Defense and the Department of Veterans Affairs. MVM will act as a sales agent for the Company for government sales opportunities of MyndMove™. MVM has extensive knowledge and experience throughout the government healthcare network, specifically with the United States Veterans Administration Health Network. MVM worked with the Company to become an accredited vendor within the government GSA Schedule (also referred to as ‘MAS’ and ‘FSS’). The GSA Schedule is a long-term United States government-wide contract with commercial firms providing federal, state, and local government buyers access to more than 11 million commercial supplies, products and services at volume discount pricing. As of October 1, 2021, the Company is an accredited vendor with the United States of America government. While the accreditation is valid through to 2026, the Company must renew the accreditation annually and continue to meet requirements. This contract was awarded to the Company on September 30, 2021 in an electronic notification from the Department of Veterans’ Affairs. The contract number is 36F79721D0268, effective from October 1, 2021 to September 30, 2026. See "Risk Factors – Risks Relating to Our Reliance on Third Parties". Specifically, as part of our ongoing accreditation process, the United States government requires vendors to submit an annual subcontracting plan, with a focus on ensuring any sub-contracts that the Company may award include target populations to ensure fairness and diversity. The United States government has accepted our goals for 2022 to direct a total of approximately

$15,000 of subcontract awards to small businesses falling within the following identified groups: (i) veteran-owned businesses; (ii) service disabled veteran-owned businesses; (iii) women-owned businesses and (iv) small disadvantaged businesses, including Indian tribes. The plan was accepted on October 1, 2021 and performance against these goals will be reviewed in November 2022. At that time, the Company is required to submit a plan for 2023, with new goals for that fiscal year. The 2022 subcontracting plan has been appended and archived with our final GSA Contract Approval for 2022.

UHN Master Collaboration Agreement
On February 26, 2020, the Company entered into a Master Collaboration Agreement with UHN to co-develop future protocols for MyndMove™. See "Material Contracts – UHN Master Collaboration Agreement" and "Material Contracts – UHN License Agreement".

Department of Defense Clinical Trial
By January 23, 2020, the Company received all required approvals to initiate enrollment of patients in a randomized clinical trial for the evaluation of MyndMove™. This trial was funded in part by the SCI research program under the United States of America Department of Defense Office of the Congressionally Directed Medical Research Programs Award Number W81XWH-16-1-0790. This is a randomized two-arm, parallel group, multicenter, single-blind, controlled trial comparing electrical neuromodulation delivered by MyndMove™ therapy to intensive upper-limb conventional therapy in the treatment of individuals with moderate to severe motor impairment to their arms and hands from an incomplete, cervical, traumatic SCI. See "Description of the Business – Department of Defense Clinical Trial".

510(k) Clearance
On September 8, 2017, the Company announced that it received 510(k) clearance to market MyndMove™ therapy for individuals with upper extremity paralysis.

USE OF AVAILABLE FUNDS

Funds Available and Principal Purposes

This is a non-offering Prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds. Notwithstanding, the Company completed a Private Placement for a total amount of $2,954,302, of which $590,861 has been received and $2,363,441 is in escrow. It is estimated that the Company has available working capital of approximately $1,560,000 as of December 31, 2021, including its unaudited working capital deficit of $803,441 and the release of the Escrowed Proceeds.

Following the Listing, the principal purposes for the foregoing available funds are expected to be as follows:

Forecast of Funds Available

Initial available working capital	**Notes**	**Amount $**
Unaudited working capital as at December 31, 2021		(803,441)
Escrowed Proceeds from the Company's Private Placement	(1)	2,363,441
December 31, 2021 working capital and Escrowed Proceeds		**1,560,000**
Forecast of additional Sources of Funds		
Estimated gross margins – 12 months to December 31, 2022	(2)	140,000
Estimated SR&ED claim for the 2021 fiscal year, expected in May 2022	(3)	250,000
		390,000
Total source of funds, including working capital and Escrowed Proceeds		**1,950,000**
Forecasted Use of Funds		
Estimated operating expenses – 12 months to December 31, 2022		

Salaries and benefits	(4)	928,000
Product development – see Milestones	(5)	135,000
Other engineering, quality assurance and marketing expenses	(6)	83,000
Insurance		150,000
General and administration expenses	(7)	393,000
Total estimated operating expenses		**1,689,000**
Estimated expenses related to the Prospectus and the CSE Listing	(8)	20,000
Total Estimated Expenditures		**1,709,000**
Unallocated funds		**241,000**

All estimates are based on historical trends, except (a) salaries and benefits, as described in note 4, below; (b) all one-time discretionary consulting costs have been discontinued unless they are included in product development expenses; (c) additional public company regulatory expenses have been added; and (d) additional insurance costs have been added in respect of director and officer coverage for public companies. Previous discretionary consulting cost removed from the Company's business plan include new product development projects with UHN, contact management software development, sourcing of additional financing through capital markets and marketing support.

Notes (all amounts are in Canadian dollars):

(1) Escrow funds of $2,363,441 will be received at such time as the Company is listed on the CSE. If conditional listing approval is not received by February 28, 2022, the Company will require the approval of Subscription Receiptholders who hold in the aggregate not less than sixty-six and two third percent (66 2/3%) thereof to extend the February 28 deadline, without which, the $2,363,441 will be returned to the Subscribers.

(2) $140,000 of gross margins estimated for the 12-months ended December 31, 2022 is comprised of an estimated $100,000 of margins resulting to fee-for-service revenues and $40,000 in margins resulting from equipment revenues. The actual gross margins for 2021 were $467,000, which included $324,000 relating to UHN, and the remainder of $143,000 in margins related to fee-for-service revenues and equipment revenues. As such, the 2022 gross margin estimate is based on the historical run rate from 2021 from existing clinics using the Company's MyndMove™ device. The 2022 estimate does not include any additional clinics or other facilities that may arise from the distribution agreement with LBB which was signed on September 29, 2021 nor any potential growth from the Company becoming an accredited vendor with the United States of America government on October 1, 2021. The 2022 estimate also does not include any potential expanded usage of the existing MyndMove™ devices at clinics that may result from any reduced COVID-19 restrictions.

(3) The $250,000 forecasted SR&ED claim for the calendar year of 2021 is more than the $231,000 received in 2021 for 2020, because 2021 contract R&D expenses were higher than those in 2020. The Company is not eligible for cash refundable SR&ED credits related to costs incurred after it has become listed on the CSE.

(4) Salaries and benefits include the same employee positions that existed for the entire 2021 year, which management believes is sufficient to support the Company's forecast and its milestones through to December 31, 2022.
R&D salaries cover activities supporting ongoing operations/maintenance, in addition to R&D projects. Total salaries and benefits in the above table for these activities are $328,000. The Company anticipates $15,000 of these salaries to be spent on R&D milestones, with the remainder being allocated to support operations, specifically the maintenance of the Company's MyndMove™ devices, quality assurance and support for clinical staff.
The year-to-date salaries and benefits costs as of September 30, 2021, totaling $939,000, included non-recurring costs of $250,000 in severance for the former CEO. The Company does not anticipate incurring these costs in 2022. Only 689,000 of the September year-to-date payroll is recurring and this equates to $928,000 on an annualized basis.

(5) See "Business Objectives and Milestones".

(6) The Company has moved to a distributor sales model and focused its 2022 business plan solely on revenue from existing technology. In addition, 2022 engineer expenditures will be limited to working with the clinics to improve the effectiveness of therapies for existing product models. To eliminate all non-revenue generating expenditures, all engineering and quality assurance activities, except those required to achieve the disclosed Milestones, will be focused on servicing existing MyndMove™ devices, current regulatory and certification requirements and training new therapists using off-the-shelf on-line technologies. All discretionary marketing activities and engineering costs beyond those required to achieve the disclosed milestones have been eliminated and the business plan for the 12-month period ending December 31, 2022 does not include any of the consulting or other similar discretionary costs previously incurred in 2021, unless such costs are specified in the Milestones. Previous discretionary consulting costs removed from the Company's business plan include new product development, contact management software purchase or development, sourcing of additional financing through capital markets and marketing research.

(7) General and administrative costs include accounting, rent, technology and office expenses based on historical trends. Legal costs have been reduced to the minimum required to support regulatory requirements, new sales initiatives and basic secretarial requirements. Audit fees and public regulatory costs estimates have been increased to support the Company's Listing on the CSE. All other discretionary professional costs have been eliminated. Management believes its estimate of general and administrative costs is sufficient to support the Company's forecast and its milestones.
The $393,000 of G&A expenses includes: $95,000 of audit fees; $65,000 for phone, internet, computers and software technology; $65,000 for CFO compensation and a supporting accounting clerk; $63,000 for public company regulatory costs; $65,000 for ongoing legal costs; $29,000 for rent, based on IFRS accounting policies; $12,000 for office supplies; and, $4,000 for credit card fees; less, a $5,000 over recovery of clinical trial costs.

(8) The $20,000 of Prospectus and CSE Listing costs includes estimated filing and accounting costs subsequent to December 31, 2021, required to complete the Company's Listing. In addition thereto, $1,013,000 of Prospectus and Listing costs were incurred

during the year ended December 31, 2021. Total Prospectus and CSE Listing costs of $1,033,000 include $580,000 of legal fees; $139,000 of accounting fees for the Company's IFRS conversion and three quarterly reviews; $107,000 of consulting fees from the contract CFO; $103,000 of consulting fees from the former CEO; $71,000 of retention bonuses to the employees; and, $33,000 of filing fees and other support costs.

The Company had a negative cash flow from operating activities for the financial years ended December 31, 2020 and December 31, 2021. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from an offering to fund such negative cash flow. See "Risk Factors – Risks Relating to Our Financial Position and Need for Capital – Negative Operating Cash Flow". Notwithstanding, management estimates that the Company will have available funds, as of the December 31, 2021, to fund operations for 12 months.

The Company intends to spend the funds available to it as stated in this Prospectus; however, there may be circumstances where the Company may determine that a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. For further details, see "Use of Available Funds – Funds Available and Principal Purposes".

Cash in excess of six months of pending funding requirements will be held either in a high-yield savings account or bank paper. Management plans to operate in an austerity mode that focuses on revenue generation, until the Company achieves gross margin levels that exceed the revenue generation currently in its business plan.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objective. The Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company may rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. See "Risk Factors – Risks Relating to Our Financial Position and Need for Capital".

The CFO of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

Business Objectives and Milestones

The Company launched MyndMove™ in hospitals and rehabilitation centers in the United States in the fourth quarter of 2021 through its distributor, LBB. One direct sale of a MyndMove™ device, in the amount of US$36,000 occurred in July 2021 and another was invoiced in November 2021.

The Company's immediate business objective is to expand its product revenues through its distribution partner, LBB, in Michigan, USA, which has been using MyndMove™ in their two clinics for two years and has the highest utilization rates of all MyndMove™ clinics. The short-term goals are to: (a) ramp up revenues and eliminate the negative operating cash flows of previous periods and (b) conserve cash. At the same time, the Company is working to secure other distributors in the United States of America and other potential partnerships in Malaysia, Singapore and Europe, for sale or licensing of its MyndMove™ device. Funds from future financings, if successful, could, then, be used to expand the Company's product line through product development, licensing, partnership and / or acquisition arrangements with other parties.

With respect to long-term goals, the Company's business objective is to further expand the placement of MyndMove™ and establish and / or increase the number of treatments in Canada, the United States of America, Singapore and Malaysia. To support these efforts, the Company will be using distribution partners and sales agents in the identified countries. As noted above, this process has already started with the signing of LBB for distribution in the United States of America, starting with the State of Michigan. The Company also has a sales agreement with the MVM to sell to veteran hospitals in the United States of America now that the Company is on the approved federal supply schedule for veteran's administration hospitals. See "History – General Development of the Business".

The Company will be completing its obligation to UHN to finish the current development work on MyndMove™ 3.0, (as described in the 4th Milestone below), but will not be producing any MyndMove™ 3.0 devices in 2022, unless management is assured that additional funding is available from operations or other funding sources, above that in the current business plan; or, unless management is convinced that the payback from such production is incremental to its business plan over a very short term. The production cycle for devices is approximately 4 months and the Company's current supplier can produce six to ten units per month, at a total cost of approximately $10,000 per device. This production cycle is dependent on the Company pre-purchasing long lead-time parts, of which the Company has approximately $100,000 in inventory. The payback period per device is approximately seven to ten months.

In 2022, management will be focused on generating cash flow from deployment of the existing 48 MyndMove™ 1.0 devices and three MyndMove™ 2.0 devices that are currently available but not deployed, plus three MyndMove™ 2.0 devices for which production is almost complete. Future plans for production and sale of additional MyndMove™ 2.0 devices are contingent on the Company achieving its existing business plan. Future plans for further development or production of MyndMove™ 3.0 devices are contingent on the Company achieving its existing business plan and whether or not management determines that MyndMove™ 3.0 is a better growth strategy than MyndMove™ 2.0.

The Company does not anticipate that additional units to be required beyond the units that the Company has in inventory to maintain capacity or sales growth. However, if there is demand for units beyond the 51 units in inventory, the Company would expect to have visibility of this demand by Q2 2022 as its distribution partners provide a rolling two-quarter forecast and would order more units which would be funded from margins from Q1 2022 and Q2 2022 sales. Going forward, the Company would be using this rolling forecast to fund and manage production if necessary.

To accomplish its objectives, the Company plans to achieve the following milestones in the next 12 months.

We cannot assure you, however that the Company will meet these milestones (or any of these milestones), that the Company will achieve the milestones on the basis described below or whether the Company will meet these milestones (or any of these milestones), if at all. See "Risk Factors – Risks Relating to the Development and Commercialization of our Products".

MILESTONES

	Milestone and Event	Estimated Completion Date (Qtr,Year)	Estimated Amount ($)	Amount Spent ($)	Amount Remaining ($)
1. Establish MyndMove™ marketing and sales outside of the United States of America					
1.1	Term sheet for distribution in Singapore and Malaysia	Q4, 2021	10,000	10,000	0
1.2	Ship Myndmove device for demonstrations and evaluations with potential customers	Q1, 2022	1,000	0	1,000
1.3	Execution of exclusive distribution agreement for Singapore and Malaysia	Q1, 2022	14,000	0	14,000
2. Expand and enhance the intellectual property portfolio					
2.1	Review the process of how MyndMove hardware and software used to stimulate lower body muscles for unique or novel approaches versus prior art	Q1, 2022	0	0	nil - See note A
2.2	File provisional patent for walking protocols	Q2, 2022	25,000	0	25,000
3. Complete clinical and technical improvements for MyndMove™					
3.1	Create a therapist dashboard to provide data analytics for treatment on MyndMove. For example, Run Time, Stimulation Settings, Number of Cycles	Q1, 2022	0	0	nil - See note A
3.2	Focus group meetings to determine outcome assessments and how to integrate these with MyndMove Therapy	Q2, 2022	10,000	0	10,000
3.3	Review of MyndMove product and accessories to look for opportunities to increase ease of use, such as multichannel electrode sets, muscle motor point locators, improvement to training modules, etc.	Q2, 2022	10,000	0	10,000
4. Development to expand MyndMove™ Indications					
4.1	FDA 510(k) for home use of MyndMove to allow mobile therapists to expand treatment to nursing homes and patient homes. Health Canada approval completed Q4, 2021	Q1, 2022	2,500	0	2,500
4.2	Complete testing of 4 walking protocols on healthy subjects. 9 of 10 completed in Q4, 2021	Q1, 2022	35,000	0	35,000
4.3	Testing of 4 walking protocols on 3 patients with spinal cord injury and 3 patients with stroke.	Q2, 2022	35,000	0	35,000
4.4	FDA 510(k) and Health Canada approval for walking protocols.	Q3, 2022	2,500	0	2,500
	Total		145,000	10,000	135,000

Notes:

(A) The costs for Milestones 2.1 and 3.1 are included in *"Salaries and benefits"* and will be completed by existing employees, at a cost of 2 weeks ($10,000) for 2.1 and 1 week ($5,000) for 3.1.

(1) The Company is in the early stages of establishing a distribution partnership opportunity by signing a non-binding term sheet for the distribution of the MyndMove™ device in Singapore and Malaysia. Negotiations are currently ongoing to reach a final distribution agreement. The Company will incur costs for product evaluations and clinical demonstrations.

(2) The Company will review and identify opportunities to file provisional patent applications and develop trade secrets and expertise directed at novel approaches to stimulating muscles in the lower body.

(3) The Company will identify new protocols with a view to improving the ease of use of the MyndMove™ device for therapists through software improvements, leading to faster set-up times; treatment optimization of treatment protocols; and more robust

patient data, capturing and reporting of treatment outcomes.

(4) The Company is developing the hardware and software to allow the MyndMove™ device to treat lower body paralysis. This is being done in conjunction with Kite / UHN as part of our UHN Master Collaboration Agreement, whereby a device is being developed to provide higher levels of stimulation for the larger muscle groups in the lower body and new protocols are being developed to work with the lower body muscles.

Financing

On June 22, 2021, July 28, 2021 and December 10, 2021, the Company completed the Private Placement in three Closings, issuing an aggregate of 2,954,302 Subscription Receipts, at the Issue Price, with each Subscription Receipt automatically converting into one Subscription Receipt Unit consisting of one Common Share and one Warrant exercisable at the Exercise Price until the Warrant Expiry Date, as governed by the Warrant Indenture. Aggregate gross proceeds from the Private Placement were equal to $2,954,302 (See note 25 to the Financial Statements for the year ended December 31, 2020).

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following tables set forth our selected financial information for the periods and as at the dates indicated therein. The selected financial information has been derived from and is qualified in its entirety by our audited annual financial statements as at and for the years ended December 31, 2020 and 2019, and from our unaudited interim financial statements as at and for the nine months ended September 30, 2021 and the nine months ended September 30, 2020 and notes thereto included in this Prospectus, and should be read in conjunction with such Financial Statements and the related notes thereto included in this Prospectus. All Financial Statements of the Company are prepared in accordance with IFRS.

Our historical results are not necessarily indicative of the results that should be expected in any future period. Readers should review this information in conjunction with the audited and unaudited Financial Statements, including the notes thereto, and the MD&A, as well as "General Matters", "Use of Available Funds", "Consolidated Capitalization" and "Description of Securities" included elsewhere in this Prospectus.

All amounts referred to as being derived from the Financial Statements of the Company are denoted in Canadian dollars.

	As at and for the year ended December 31, 2019 (audited) ($)	As at and for the year ended December 31, 2020 (audited) ($)	As at and for the nine months ended September 30, 2021 (unaudited) ($)
Total Assets	1,498,254	1,654,591	1,843,325
Total Liabilities	2,024,782	3,480,573	5,011,529
Total Equity (Deficiency)	(526,528)	(1,825,982)	(3,168,204)
Revenue	311,447	162,634	200,660
Net Loss and Comprehensive Loss for the Period	(1,848,364)	(1,494,498)	(2,628,969)

Management's Discussion and Analysis

The MD&A of the Company for the years ended December 31, 2020 and 2019 and for the nine months ended September 30, 2021 and 2020, are attached to this Prospectus in Schedule "A". These MD&As should be read in conjunction with the Company's unaudited interim financial statements and audited annual financial statements, along with the related notes thereto, included in Schedule "A" of this Prospectus. The MD&A is presented as of the date of this Prospectus and are current to that date, unless otherwise stated.

Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. There can be no assurance that such Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on Forward-Looking Information, which speaks only as of the date made. See "Forward-Looking Information" and "Risk Factors".

DESCRIPTION OF SECURITIES

On incorporation, the Company’s initial capital was comprised of an unlimited number of Common Shares, Class A Special Shares, Class B Special Shares and Class C Special Shares. The Articles were amended on August 27, 2012 to change each of the then-issued and outstanding Common Shares in the capital of the Company into 20,000 issued Common Shares in the capital of the Company. On August 29, 2012, the Company amended its Articles to remove authorization for the Class A Special Shares, Class B Special Shares and Class C Special Shares, and to restate the rights, privileges, restrictions and conditions attached to its Common Shares. The shareholders approved an amendment to the Articles on June 28, 2021, which the Company filed on February 14, 2022 in anticipation of the Listing of the Company on the CSE in order to make certain customary changes, including to (i) increase the minimum number of directors from one to three, (ii) repeal the restrictions on the issue, transfer and ownership of shares in the capital of the Company, (iii) remove the prohibition on the subscription for shares or securities of the Company by the public, (iv) remove the provision setting the maximum number of shareholders of the Company to 50, (v) remove the provision that the Company may be dissolved or wound up with the consent of 50% of the shareholders, and (vi) empower the directors of the Company to change the number of directors of the Company, from time to time (within the minimum and maximum number provided for in the Articles), and to fill any casual vacancy occurring on the Board.

Common Shares

The following description of our Common Shares summarizes certain provisions contained in our Articles. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our Articles and by-laws.

The Company's authorized capital consists of an unlimited number of Common Shares, of which 17,099,796 Common Shares are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, to receive any dividend declared by the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of our property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further securityholder action.

The Company intends to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the Listing requirements of the Exchange.

As at the date of this Prospectus, the Company is not a reporting issuer in any province or territory of Canada.

Common Share Purchase Warrants

As at the date hereof, there are 1,259,535 common share purchase warrants issued and outstanding (the "**Common Share Purchase Warrants**").

1,259,535 Common Share Purchase Warrants were issued in connection with a private placement on May 3, 2021 of units (consisting of Common Shares and Common Share Purchase Warrants). These Common Share Purchase Warrants expire on May 3, 2023. Prior to the maturity date, each Common Share Purchase Warrant entitles the holder thereof to receive one Common Share upon payment of $1.06 per Common Share.

Options

As of the date hereof, there are 987,500 Options outstanding to purchase Common Shares under the Option Plan. The Board and shareholders of the Company have approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors to incentivize such individuals to contribute toward our long-term goals and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board, with each Option issued thereunder convertible into a Common Share of the Company. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options and (b) the date of grant of the stock options. See "Options to Purchase Securities".

Subscription Receipt Units

As at the date hereof, there are 2,954,302 Subscription Receipts Units issued and outstanding.

On June 22, 2021, July 28, 2021 and December 10, 2021, the Company closed the Private Placement in each of the Closings and issued an aggregate of 2,954,302 Subscription Receipts for gross proceeds of $2,954,302 (the "**Proceeds**").

The Company appointed the Subscription Receipt Agent as agent for the Subscription Receiptholders of Subscription Receipts and as agent in respect of the Proceeds pursuant to the subscription receipt agreement between the Company and the Subscription Receipt Agent dated June 22, 2021, as amended on November 24, 2021 and January 19, 2022 (the "**Subscription Receipt Agreement**").

For each $1.00 received by the Company at Closing, the Subscription Receipt Agent issued one Subscription Receipt. All Subscription Receipts rank *pari passu*, despite the actual dates of issue.

On the Closings, the MyndTec Proceeds were released by the Subscription Receipt Agent to the Company. The Escrowed Proceeds are held by the Subscription Receipt Agent and invested in accordance with the terms of the Subscription Receipt Agreement, to be released to the Company upon delivery of a release certificate confirming satisfaction of the Release Condition prior to the Release Deadline (the "**Release Certificate**").

Upon delivery of the Release Certificate, all Subscription Receipts will be automatically converted by the Subscription Receipt Agent, and the Subscription Receiptholders thereof shall, without payment of any additional consideration and without any further action on the part of the Subscription Receiptholders, and for no additional consideration (including the surrender of any Subscription Receipt Certificate), be deemed

to have subscribed for the corresponding number of Units issuable upon the conversion of such Subscription Receipts.

One Subscription Receipt Unit consists of: one Common Share and one Warrant to purchase an additional Common Share at the Exercise Price of $1.00 at any time prior to the Warrant Expiry Date, as governed by the Warrant Indenture. See “Description of Securities – Warrants”.

In the event of a Termination Event, all of the Subscription Receipts will, without any action on the part of the Subscription Receiptholders thereof (including the surrender of Subscription Receipt Certificates), be immediately cancelled by the Subscription Receipt Agent and become null and void and of no further force or effect, meaning each Subscription Receiptholders of a Subscription Receipt shall thereafter have no rights thereunder, except, as soon as reasonably possible, and in any event, no later than five business days following the Termination Event, to receive, and the Subscription Receipt Agent shall:

(a) pay to each Subscription Receiptholder, an amount equal to the Subscription Receiptholder’s respective portion of the Escrowed Proceeds, plus the pro rata portion of any interest actually earned thereon, less applicable taxes; and

(b) convert the MyndTec Proceeds into (i) the principal amount of unsecured convertible debentures, the terms of which shall be determined by mutual agreement of the Company and the majority of Subscription Receiptholders (the "**Convertible Debentures**"), and (ii) warrants, (issued on the basis of one warrant for each one dollar of the Subscription Receiptholder’s portion of the MyndTec Proceeds), at an issue price of $1.00, and distributed to the of Subscription Receiptholders on a pro rata basis.

Convertible Debentures

In connection with a private placement in May 2020, the Company issued $1,250,000 in principal amount of unsecured convertible debentures. The terms of such convertible debentures provide for automatic conversion of the principal amount of the convertible debentures and all interest accrued thereon in the event the Company completes a financing, or series of financings, whether in one closing or multiple closings, for a cumulative amount of funds equal to or exceeding $5,000,000 (such amount to include the funds received pursuant to the convertible debentures) (a “**Qualified Financing**”). Upon the occurrence of a Qualified Financing, such convertible debentures are to convert at a 20% discount to the price of securities issued in connection with the Qualified Financing. Upon the release of the Escrowed Proceeds, the Company will have completed a Qualified Financing, comprised of the following:

Financing	**Amount Raised ($)**
May 2020 Financing (Convertible Debentures)	$1,250,000.00
May 2021 Financing (Common Shares and Warrants)	$1,259,535
June 2021, July 2021 and December 2021 Private Placement (Subscription Receipts)	$2,954,302
TOTAL	**$5,463,837**

Pursuant to the terms of the convertible debentures, immediately prior to the release of the Escrowed Proceeds, the principal amount of the convertible debentures and all interest accrued thereon will convert into common shares and warrants (the "**Qualified Financing Security**") at a price of $0.80 per Qualified Financing Security. The warrants to be issued in connection with the conversion will be issued on identical terms to the Warrants being issued under the Private Placement. Upon completion of the conversion, based on the inclusion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon (calculated as of February 4, 2022, pursuant to an acknowledgement and release signed by such debentureholders), the Company will issue an additional 1,784,402 Common Shares and 1,784,402 Warrants, following which the convertible debentures will be cancelled, null and void and no longer of any force or effect.

In the event of a Termination Event, the convertible debentures will not be converted.

Warrants

The following is a summary of certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture will be available electronically on SEDAR at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each whole Warrant entitles its holder, upon the payment of the exercise price of $1.00, to purchase one Common Share at any time prior to the Warrant Expiry Date.

The Warrants will be governed by an agreement to be entered into on closing of the transactions contemplated by the Subscription Receipt Agreement (the "**Warrant Indenture**") between the Company and Marrelli Trust Company Limited (the "**Warrant Agent**"). The Company will designate the Warrant Agent, in its Vancouver office, as agent for the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution;

(b) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

(d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for, purchase or otherwise acquire Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date (the "**Warrant Indenture Rights Offering**"); and

(e) the issuance or distribution to all or substantially all of the holders of Common Shares of (i) shares of any class other than Common Shares, or (ii) rights, options or warrants other than rights, options or warrants exercisable within 45 days from the date of issue thereof at a price, or at a conversion price, of at least 95% of the "current market price", as defined in the Warrant Indenture, at the record date for such distribution, or (iii) evidences of indebtedness, or (iv) any other cash, securities or other property or assets and that

issuance or distribution is not adjusted pursuant to Warrant Indenture Rights Offering or Warrant Indenture Capital Reorganization.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants in the event of the following additional events (any such event being herein called a "**Warrant Indenture Capital Reorganization**"):

(a) the reclassification or re-designation of the Common Shares or any other capital reorganization; or

(b) the consolidation, merger or amalgamation with or into any other corporation which results in the cancellation, reclassification or re-designation of the Common Shares or a change or conversion of the Common Shares into other shares or securities or the transfer of all or substantially all of the assets of the Company to another corporation or entity or the Company being controlled (within the meaning of the *Income Tax Act* (Canada)) by another corporation or entity.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least seven days prior to the record date.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment or other consideration will be made in lieu thereof. Warrant holders are not entitled to any voting rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not impair the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that are prejudicial to the interests of or impairs the rights of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution passed at a meeting of the holders of Warrants duly convened at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution.

The Warrants will not be exercisable in the United States or by or on behalf of a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act) or a person in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Company at the date of this Prospectus, both before and after giving effect to the issuance of the Subscription Receipt Units upon satisfaction of the Release Condition pursuant to the Private Placement:

Description	Outstanding as at the date of this Prospectus[1]	Outstanding as at the date immediately after giving effect to the conversion of the Subscription Receipts and Convertible Debentures[1][2][3]
Common Shares	17,099,796	21,838,500
Common Share Purchase Warrants (including Warrants)	1,259,535	5,998,239
Convertible Debentures[4]	$1,427,523	$0
Options	987,500	987,500
Subscription Receipt Units	2,954,302	0

Notes:

(1) See "Prior Sales".

(2) Assumes no Options or Common Share Purchase Warrants are exercised.

(3) Assumes (a) 2,954,302 Common Shares and 2,954,302 Common Share Purchase Warrants are issuable upon the deemed conversion of the Subscription Receipts and (b) 1,784,402 Common Shares and 1,784,402 Common Share Purchase Warrants are issuable upon conversion of the outstanding Convertible Debentures.

(4) Assumes the inclusion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon calculated as of February 4, 2022.

Fully Diluted Common Share Capitalization

Common Shares[1][2]	Number of Securities	Percentage of Total
Common Shares issued and outstanding as at the date of this Prospectus	17,099,796	59.32%
Common Shares reserved for issuance upon exercise of Common Share Purchase Warrants (excluding Warrants issued pursuant to conversion of Subscription Receipt Units and Warrants issued pursuant to conversion of Convertible Debentures)	1,259,535	4.37%
Common Shares reserved for issuance upon conversion of Subscription Receipt Units	2,954,302	10.25%
Common Shares reserved for issuance upon exercise of Warrants (pursuant to conversion of Subscription Receipt Units)	2,954,302	10.25%
Common Shares reserved for issuance upon conversion of Convertible Debentures	1,784,402	6.19%
Common Shares reserved for issuance upon exercise of Warrants issued upon conversion of Convertible Debentures	1,784,402	6.19%
Common Shares reserved for issuance upon exercise of Options	987,500	3.43%
Total Fully Diluted Share Capitalization after the Listing	**28,824,239**	**100.00%**

Notes:

(1) Assumes no Options or Common Share Purchase Warrants are exercised.

(2) Assumes 1,784,402 Common Shares and 1,784,402 Common Share Purchase Warrants are issuable upon conversion of the outstanding Convertible Debentures based on the inclusion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon calculated as of February 4, 2022.

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets out information about the Options issued and outstanding pursuant to the Option Plan as of the date hereof:

Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise Price	Expiry Date
All current and past executive officers of the Company as a group (two individuals)	Common Shares	150,000 500,000 100,000	$0.92 $1.00 $1.00	May 19, 2026 June 21, 2031 August 15, 2031
All current and past directors of the Company as a group (five individuals)	Common Shares	50,500 167,000	$1.21 $0.92	December 1, 2023 May 19, 2026
All other employees and past employees of the Company as a group (four individuals)	Common Shares	20,000	$0.92	May 19, 2026

Option Plan

The Option Plan was adopted by the Board on June 28, 2021 and will replace the existing option plan of the Company effective as of the Listing date. The purpose of the Option Plan is to develop the interest of and provide an incentive to eligible employees, directors and consultants of the Company or any related entity of the Company, to assist in the Company's growth, development and success by granting to eligible employees, directors and consultants from time to time options to purchase voting Common Shares of the Company, thereby advancing the interests of the Company and its shareholders. The Option Plan is designed to: (i) encourage share ownership; (ii) align eligible participants' interests in the performance of the Company; (iii) encourage the retention of key employees within the Company; and (iv) attract highly qualified employees by remaining competitive in terms of total compensation arrangements. Under the Option Plan, Options may be granted to directors and employees of the Company or of a related entity of the Company, as well as to consultants of the Company (each, a "**Participant**").

The Option Plan provides that the aggregate number of voting Common Shares reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the number of Common Shares of the Company issued and outstanding at the time of the granting of the Option (on a non-diluted basis), of which up to a certain percentage may be reserved and set aside to be issued as incentive stock options under the United States Internal Revenue Code of 1986. The Option Plan is an "evergreen" plan. Accordingly, if the Company issues additional Common Shares in the future, the number of voting Common Shares issuable under the Option Plan will be increased accordingly. The Company shall at all times, during the term of the Option Plan, reserve and keep available such number of voting Common Shares as will be sufficient to satisfy the requirements of the Option Plan. Any voting Common Shares subject to an Option which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future grants under the Option Plan. The Option Plan, when

combined with all of the Company's other security-based compensation arrangements (if any), shall not result at any time in any of the following, except with shareholder approval, if so permitted in accordance with applicable regulatory or CSE requirements: (a) a number of voting Common Shares reserved for issuance under Options granted to insiders exceeding ten percent (10%) of the issued voting Common Shares; (b) a number of voting Common Shares reserved for issuance under Options granted to any one Participant in the Option Plan exceeding five percent (5%) of the issued voting Common Shares; (c) the number of voting Common Shares issued to insiders, within a 12-month period pursuant to the exercise of Options exceeding ten percent (10%) of the issued voting Common Shares; (d) the issuance to any one Participant in the Option Plan, within a 12-month period (calculated from the date of the grant), of a number of Options exceeding five percent (5%) of the issued voting Common Shares, provided that with respect to consultants the number of Options granted to any one consultant within a 12-month period (calculated from the date of the grant) shall not result in a number of Options exceeding two percent (2%) of the issued voting Common Shares (calculated as of the date of the grant); or (e) the issuance to any employees conducting investor relations activities within a 12-month period (calculated from the date of the grant) of a number of voting Common Shares exceeding an aggregate of two percent (2%) of the issued voting Common Shares. No fractional voting Common Shares shall be issued upon the exercise of Options, and the Board may determine the manner in which fractional share value shall be treated.

The Board has delegated the administration of the Option Plan to the Governance, Nominating and Compensation Committee, subject to any Options granted by the Governance, Nominating and Compensation Committee being ratified by the Board. The Governance, Nominating and Compensation Committee, as administrative agent and trustee, has authority to, among other things, determine the Participants to whom Options will be granted, as well as the number of voting Common Shares which are subject to purchase upon the exercise of any outstanding Option, as well as the terms, conditions and restrictions of any grant of Option.

The exercise price of any Options granted under the Option Plan shall not be lower than 100 percent (100%) of the fair market value of a voting Common Share on the date of the grant of the Option; provided, however that if the voting Common Shares are listed and posted for trading on one or more stock exchange(s), the exercise price shall not be less than that from time to time permitted by the applicable regulations and policies of the stock exchange(s).

Subject to accelerated termination as provided for in the Option Plan and unless as otherwise specified in a signed written agreement between a Participant and the Company evidencing the terms and conditions upon which an Option is granted, or by the Board, each Option shall expire on the tenth (10^{th}) anniversary of the date of grant, which will be the date specified by the Board at the time it grants or ratifies the Option, or if no such date is specified, the date upon which the Option was granted.

Options granted under the Option Plan are not assignable or transferable or subject to any other alienation, sale, pledge or encumbrance by the optionee except, by will or by the laws of descent and distribution.

Subject to certain exceptions and unless otherwise determined by the Board of Directors, if a Participant who has been granted Options under the Option Plan ceases to be employed or provide services to the Company or its related entities for any reason other than death, disability or retirement, any Option held by such Participant shall terminate, except that each such Option that has vested as of the date of termination of employment may be exercised for the lesser of 30 days following (i) the date on which notice of resignation is given by the Participant, or (ii) the date on which notice of termination is given by the Company or a related entity of the Company, whether such termination is with or without reasonable notice, or the balance of such Option's term.

If the employment or services of a Participant who has been granted Options terminates by reason of death, disability or retirement, any Option (other than an incentive stock option) held by such Participant that was vested as of such date may thereafter be exercised, to the extent then exercisable or to such other extent as the Board may determine, for a period of 180 days (or such other period as the Board may specify) from the date of death, disability or retirement, or until the expiration of the stated term of such Option, whichever period is the shorter.

PRIOR SALES

The following table summarizes the sale of securities of the Company in the 12 months prior to the date of this Prospectus:

Date of Issue	Type of Security	Number of Securities Issued	Issue Price per Security
June 22, 2021 July 28, 2021 December 10, 2021	Subscription Receipts	2,954,302	$1.00
May 3, 2021	Common Shares	1,369,059	$0.92
May 3, 2021	Common Share Purchase Warrants	1,259,535	$1.00

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

NP 46-201 provides that all securities of an issuer owned or controlled by a principal must be placed in escrow at the time the issuer distributes its securities or convertible securities to the public by prospectus, unless the securities held by such principal or issuable to such principal upon conversion of convertible securities held by the principal collectively represents less than 1% of the total issued and outstanding securities of the issuer. Generally, NP 46-201 does not apply to a prospectus that does not offer securities to the public. However, in MyndTec's case, as a market is being developed for its securities, the Prospectus is to be considered an "IPO prospectus" for the purposes of NP 46-201. As such, the securities held by principals of the Company will be held in escrow pursuant to the policies of NP 46-201.

The following table sets forth the securities of the principals that, as at the date of Listing, will be subject to escrow and the percentage that number represents of the outstanding securities of that class.

Name	Designation of class[1]	Number of securities held in escrow or that are subject to a contractual restriction on transfer[2]	Percentage of class[3]
2339232 Ontario Corp.	Common Shares	782,020	4.57%
Griggs Associates Inc.	Common Shares Warrants Convertible Debentures Subscription Receipts	2,254,691 500,000 $900,000 300,000	13.19% 39.70% 72.00% 10.15%
Dr. Peter Harvey Griggs	Subscription Receipts	250,000	8.46%
Susan Ruth Griggs	Subscription Receipts	250,000	8.46%
Milos And Kathrin Inc.	Common Shares	2,322,286	13.58%
Life Beyond Barriers, LLC	Common Shares	4,151,942	24.28%
James Anderson	Subscription Receipts	600,000	20.31%

Notes:

(1) The Subscription Receipts and Convertible Debentures will be converted into Common Shares and warrants upon receipt of conditional listing approval (which will be subject to escrow).

(2) The securities will be held by the Escrow Agent pursuant to the terms and conditions set out in the Escrow Agreement, which is substantially in the form of 46-201F1 – Escrow Agreement, the form of agreement for escrow arrangements under NP 46-201.

(3) The percentages above for: (i) Common Shares are shown as a percentage of the total amount of Common Shares currently issued and outstanding (i.e., 17,099,796); (ii) Warrants are shown as a percentage of the total amount of Warrants currently issued and outstanding (i.e., 1,259,535); (iii) Subscription Receipts are shown as a percentage of the total amount of Subscription Receipts currently issued and outstanding (i.e., 2,954,302 Subscription Receipts), (iv) Convertible Debentures are shown as a percentage of the total principal amount of Convertible Debentures currently issued and outstanding (i.e., $1,250,000).

Escrowed Securities

On or before completion of the Listing, in accordance with NP 46-201, the Escrowed Securityholders will enter into the Escrow Agreement with the Escrow Agent, pursuant to which these parties will collectively deposit 9,510,939 Common Shares, 500,000 Warrants, 1,400,000 Subscription Receipts (which upon conversion, will represent 1,400,000 Common Shares and 1,400,000 Warrants) and Convertible Debentures for the principal amount of $900,000 and accrued interest thereon (which upon conversion, will represent 1,284,770 Common Shares and 1,284,770 Warrants) with the Escrow Agent, representing 55.62% of the issued and outstanding Common Shares, 39.70% of the issued and outstanding Warrants, 47.39% of the issued and outstanding Subscription Receipts and 72% of the issued and outstanding Convertible Debentures (the "**Escrowed Securities**").

The Escrowed Securities are subject to the terms and conditions set out in the Escrow Agreement, which is substantially in the form of 46-201F1 – *Escrow Agreement*, the form of agreement for escrow arrangements under NP 46-201.

Pursuant to the Escrow Agreement, the Escrowed Securityholders may not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their respective Escrowed Securities or any related share certificates or other evidence of their Escrowed Securities for a period of 36 months beginning on the date of Listing as set out below. In addition, any Common Shares received upon the conversion of Warrants or Options by the Escrowed Securityholders are required to be deposited in escrow and are releasable upon the same terms as set out below.

Upon the completion of Listing, the Company will be an "emerging issuer" pursuant to NP 46-201 and, as such, the Escrowed Securities will be subject to a three-year escrow and subject to the following release schedule:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	The remaining Escrowed Securities

Assuming there are no changes to the Escrowed Securities initially deposited and no additional Escrowed Securities are deposited, automatic timed release escrow applicable to the Company will result in a ten percent (10%) release on the Listing Date, with the remaining Escrowed Securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's Escrowed Securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the Escrowed Securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the timed release provisions for established issuers, with all Escrowed Securities being released 18 months from the Listing Date. The Company does not expect to become an established issuer within 18 months of the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, other than as set out below, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than ten percent (10%) of the voting rights attaching to all the outstanding Common Shares both before and after giving effect to the issuance of the Subscription Receipt Units upon satisfaction of the Release Condition pursuant to the Private Placement:

Name of Securityholder	Type of Ownership	Number and Percentage of Common Shares Owned (as at the date of this Prospectus before giving effect to the conversion of the Subscription Receipts) on a Non-Diluted Basis[2]	Number and Percentage of Common Shares Owned (immediately after giving effect to the conversion of the Subscription Receipts and Convertible Debentures) on a Non-Diluted Basis[3]
Griggs Associates Inc.[1]	Of record and beneficially	2,254,691 (13.19%)	4,339,461[4][5] (19.87%)
Life Beyond Barriers, LLC	Of record and beneficially	4,151,942 (24.28%)	4,751,942[6][7] (21.76%)
Milos And Kathrin Inc.	Of record	2,322,286 (13.58%)	2,322,286 (10.63%)

Notes:

(1) Beneficially owned and controlled by a director of the Company, Dr. Peter Harvey Griggs.

(2) On a non-diluted basis. Based on 17,099,796 Common Shares issued and outstanding as of the date of this Prospectus.

(3) On a non-diluted basis. Based on 21,838,500 Common Shares issued and outstanding immediately after giving effect to the conversion of the Subscription Receipts (i.e., an additional 2,954,302 Common Shares) and Convertible Debentures (i.e., an additional 1,784,402 Common Shares based on conversion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon calculated as of February 4, 2022.

(4) On a non-diluted basis, Griggs Associates Inc., will own 4,339,461 Common Shares, representing 19.87% of the voting rights attached to the Common Shares. This includes (i) held by Griggs Associates Inc.: 2,254,691 Common Shares, 300,000 Common Shares, upon conversion of the Subscription Receipts, and 1,284,770 Common Shares upon conversion of the Convertible Debentures (including principal and amount of accrued interest thereon as of February 4, 2022); (ii) held by Dr. Peter Harvey Griggs: 250,000 Common Shares, upon conversion of the Subscription Receipts; and (iii) held by Dr. Peter Harvey Griggs' wife, Susan Ruth Griggs: 250,000 Common Shares upon conversion of the Subscription Receipts.

(5) On a fully-diluted basis (assuming the exercise of all Warrants and Options), Griggs Associates Inc., will own 6,974,231 Common Shares, representing 24.20% of the voting rights attached to the Common Shares, based on 28,824,239 Common Shares issued and outstanding on a fully-diluted basis. This includes (i) held by Griggs Associates Inc.: 2,254,691 Common Shares, 500,000 Warrants, upon conversion of the Subscription Receipts, 300,000 Common Shares and 300,000 Warrants, upon conversion of the Convertible Debentures (including principal amount of accrued interest thereon as at of February 4, 2022), 1,284,770 Common Shares and 1,284,770 Warrants; (ii) held by Dr. Peter Harvey Griggs: upon conversion of the Subscription Receipts, 250,000 Common Shares and 250,000 Warrants and 50,000 Options; and (iii) held by Dr. Peter Harvey Griggs' wife, Susan Ruth Griggs: upon conversion of the Subscription Receipts, 250,000 Common Shares and 250,000 Warrants.

(6) On a non-diluted basis, Life Beyond Barriers, LLC will own 4,751,942 Common Shares, representing 21.76% of the voting rights attached to the Common Shares. This includes (i) held by Life Beyond Barriers, LLC: 4,151,942 Common Shares; and (ii) held by James Anderson, the principal of Life Beyond Barriers, LLC: upon conversion of the Subscription Receipts, 600,000 Common Shares.

(7) On a fully-diluted basis (assuming the exercise of all Warrants and Options), Life Beyond Barriers, LLC will own 5,351,942 Common Shares, representing 18.57% of the voting rights attached to the Common Shares, based on 28,824,239 Common Shares issued and outstanding on a fully-diluted basis. This includes (i) held by Life Beyond Barriers, LLC: 4,151,942 Common Shares; and (ii) held by James Anderson, the principal of Life Beyond Barriers, LLC: upon conversion of the Subscription Receipts, 600,000 Common Shares and 600,000 Warrants.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupations Held During the Last Five Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[1]	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[2][6]
Mr. Carlo Pannella[3][4][5] Age 46 Ontario, Canada Director	Director May 13, 2019	Chief Financial Officer, Lorne Park Capital Partners Inc.	Nil	1,000 (.005%)
Ms. Christine Ozimek[3][4] Age 54 Ontario, Canada Director	Director August 30, 2012	Chief Executive Officer, Cared Management Chief Executive Officer, PLTC Inc. Director, Retirement Homes Regulatory Authority, Ontario	782,020[7] (4.57%)	782,020[7] (3.58%)
Mr. Craig Leon Age 54 Ontario, Canada Chief Executive Officer and Director	Director June 28, 2021 CEO June 23, 2021	Chief Executive Officer and Chairman, Revive Therapeutics Ltd. Director, Zonetial Inc.	Nil	100,000 (0.46%)
Dr. Peter Harvey Griggs[3][5] Age 82 Ontario, Canada Director	Director May 13, 2019	President, H.G. Engineering Inc.	2,254,691[8] (13.19%)	4,339,461 [9] (19.87%)
Dr. Milos Popovic[3][5] Age 56 Ontario, Canada Director	Director June 13, 2008	Professor, Institute of Biomedical Engineering, University of Toronto Director & Senior Scientist, The KITE	2,322,286[10] (13.58%)	2,322,286[10] (10.63%)

		Research Institute, Toronto Rehabilitation Institute, University Health Network		
Mr. Richard Widgren[3][4] Age 79 Michigan, USA Director	Director November 1, 2015	Consultant/Advisor President, Life Beyond Barriers, LLC Chairman of the Board, RIM Foundation Chairman, Legacy Detroit Medical Center	349,467[11] (2.04%)	349,467[11] (1.60%)
Mr. Ronald Kurtz Age 56 Ontario, Canada Vice President, Engineering	Director March 1, 2019	Vice President, Engineering, MyndTec Inc. Vice-President, Engineering and Vice-President, R&D Profound Medical Inc.	Nil	Nil
Mr. Scott Franklin Age 73 Ontario, Canada Chief Financial Officer	CFO June 25, 2021	Self-Employed Contractor – Income Tax and Accounting President and Director, ROL Strategies Corp. Director, Let It Begin with Me Inc.	Nil	6,500 (0.03%)

Notes:

(1) Percentage is based on 17,099,796 Common Shares issued and outstanding as of the date of this Prospectus on a non-diluted basis. See "Options to Purchase Securities".

(2) Percentage is based on 21,838,500 Common Shares issued and outstanding on a non-diluted basis, immediately after giving effect to the conversion of the Subscription Receipts (i.e., an additional 2,954,302 Common Shares) and Convertible Debentures (i.e., an additional 1,784,402 Common Shares based on conversion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon calculated as of February 4, 2022.

(3) Independent Director.

(4) Member of the Audit Committee.

(5) Member of Governance, Nominating and Compensation Committee.

(6) The following individuals hold securities that are convertible or exchangeable for Common Shares: (i) Mr. Carlo Pannella: 50,000 Options and 1000 Warrants (to be issued upon conversion of the Subscription Receipts); (ii) Ms. Christine Ozimek: 67,500 Options; (iii) Mr. Craig Leon: 600,000 Options and 100,000 Warrants (to be issued upon conversion of the Subscription Receipts); (iv) Dr. Peter Harvey Griggs: 50,000 Options and 250,000 Warrants (to be issued upon conversion of the Subscription Receipts), 500,000 Warrants and 300,000 Warrants (to be issued upon conversion of the Subscription Receipts) and 1,284,770 Warrants (to be issued upon conversion of the Convertible Debentures) held by Griggs Associates Inc. and 250,000 Warrants (to be issued upon conversion of the Subscription Receipts) held by Susan Ruth Griggs; (v) Mr. Richard Widgren: 50,000 Options; (vi) Mr. Ronald Kurtz: 150,000 options and Mr. Scott Franklin: 6,500 Warrants (to be issued upon conversion of the Subscription Receipts).

(7) Held by 2339232 Ontario Corp.

(8) Held by Griggs Associates Inc.

(9) Includes 2,254,691 Common Shares, 300,000 Common Shares (upon conversion of Subscription Receipts) and 1,284,770 Common Shares (upon conversion of Convertible Debentures) held by Griggs Associates Inc., 250,000 Common Shares (upon conversion of Subscription Receipts) held by Dr. Peter Harvey Griggs and 250,000 Common Shares (upon conversion of Subscription Receipts) held by Susan Ruth Griggs.

(10) Held by Milos And Kathrin Inc.
(11) Held by RIM Foundation. Mr. Richard Widgren is Chairman of the board of directors thereof.

It is expected that all members of the management team devote their full time to the Company, with the exception of Mr. Franklin who devotes 20% of his time to the affairs of the Company as CFO.

The term of office of the directors expires annually at the time of the Company's next annual general meeting, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the OBCA. As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 7,650,881 Common Shares of the Company, which is equal to 35.03% of the Common Shares. This percentage is based on 21,838,500 Common Shares issued and outstanding, on a non-diluted basis, immediately after giving effect to the conversion of the Subscription Receipts (i.e., an additional 2,954,302 Common Shares) and Convertible Debentures (i.e., an additional 1,784,402 Common Shares based on conversion of the principal amount of the convertible debentures (i.e., $1,250,000) and all interest accrued thereon calculated as of February 4, 2022.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Mr. Carlo Pannella *CPA, CA – Director and Chair of the Audit Committee*

Mr. Carlo Pannella is a Chartered Professional Accountant with over twenty years of experience, primarily in senior finance roles. He is currently Chief Financial Officer at Lorne Park Capital Partners Inc., a TSX Venture Exchange listed investment management firm. Mr. Pannella spent ten years of his career at Excel Tech Ltd., a leading neurodiagnostic medical technology company, where he helped to take the company public and assisted in the sale to Natus Medical Incorporated, a US based NASDAQ listed company. Mr. Pannella has extensive experience in helping companies to grow strategically. He has a Bachelor of Business Administration degree from the Schulich School of Business, where he received a full four-year scholarship.

Ms. Christine Ozimek ICD.D – *Director, Chair of the Board*

Ms. Christine Ozimek is a business executive and director with over 30 years of strategic leadership experience. Formerly CEO of a group of retirement and long-term care homes, Ms. Ozimek spent 25 years as an innovative leader with a focus on the core values of People, Community and Dignity. Currently Chair of the Board MyndTec, an early phase development company specialized in neurorehabilitation, she also is an advisor to a variety of other companies. She is Director with the Retirement Homes Regulatory Authority beginning a 3-year term in December 2021. An active supporter of the True Patriot Love Foundation, in 2019 she was a member of their first all-women's expedition team snowshoeing 100km across the Arctic Circle on Baffin Island to raise funds in support of veterans' and military families. Ms. Ozimek holds an International MBA from the Schulich School of Business and a Bachelor of Arts from the University of Windsor. She is a holder of the Institute of Corporate Directors Director designation. She is bilingual English-French.

Mr. Craig Leon – *Director*, *Chief Executive Officer*

Mr. Leon is a director and CEO of the Company, and in that capacity is responsible for the overall management of the business and affairs of the Company, including supervising the day-to-day activities of the Company, developing strategic direction for approval by the Board, ensuring the Company's business is conducted in compliance with applicable laws, and ensuring the Board is apprised of all material aspects of the Company's operations and financial affairs. He also serves as a Director of the Company. Mr. Leon

has held a variety of financial analysis and management positions and has acted as a consultant for evaluating strategic investment opportunities and potential acquisition candidates. He most recently served as President of RangerCap Inc., a private investment company focused on healthcare and technology companies. From 2013 to 2019, Mr. Leon was Chairman and a member of the audit committee of Revive Therapeutics Ltd. (CSE: RVV), a publicly-listed biopharmaceutical company focused on repurposing drugs to treat liver and kidney disease and served as CEO from 2017 to 2019. Prior to Revive, from 2008 to 2013, Mr. Leon served as CEO and Chairman of Titan Medical Inc. (NASDAQ: TMDI; TSX: TMD), a publicly-listed medical device company focused on single access robotic-assisted technologies. Before Titan, he served as CFO and COO of Redwood Asset Management Inc., a private asset management company. Mr. Leon has a Bachelor's Degree from the University of McGill and an M.B.A. from the Schulich School of Business.

Dr. Peter Harvey Griggs B.A.Sc, M.A.Sc – *Director, Chair of Compensation Committee*

Dr. Griggs is an engineer with B.A.Sc and M.A.Sc degrees from the University of Toronto and a Ph.D degree from Massachusetts Institute of Technology. He was founder of H.G. Engineering Inc. in 1973 and continued as CEO until 2000. During this time, H.G.E. worked primarily in the pollution control field for the pyro-metallurgical industries with major clients on five continents. The company was also a pioneer in the application of computers to the solution of complex engineering problems involving structural mechanics, dynamics, fluid mechanics and heat transfer. Dr. Griggs became a passionate entrepreneur and, together with his partners, helped many start-up companies to grow and prosper. After his 2002 exit from H. G. Engineering, he continued to invest in and counsel smaller companies. Dr. Griggs currently splits his time between several successful private companies. He is also a strong advocate for Benefit Corporations and Social Impact Investing initiatives for which he works in a volunteer capacity with the Toronto Foundation.

Dr. Milos R. Popovic, Dipl. El. Eng., Ph.D., FCAE, FAIMBE, P.Eng. – *Co-Founder and a Director of MyndTec Inc.*

Dr. Milos R. Popovic is the Director of The KITE Research Institute at the Toronto Rehabilitation Institute - University Health Network, and a Professor (Tenured) in the Institute of Biomedical Engineering at the University of Toronto. Dr. Popovic is a Fellow of the Canadian Academy of Engineering and a Fellow of the American Institute of Medical and Biological Engineering. He is the co-founder and director of (i) MyndTec; (ii) the Centre for Advancing Neurotechnological Innovation to Application (CRANIA) at the University Health Network and the University of Toronto; (iii) the CRANIA Neuromodulation Institute at the University of Toronto and (iv) the Canadian Spinal Cord Injury Rehabilitation Association. Dr. Popovic is also the founder of FabrIc-Based Research (FIBRE) Platform and the Rehabilitation Engineering Laboratory, both located at the KITE Research Institute, Toronto Rehabilitation Institute - University Health Network. Dr. Popovic held the Toronto Rehab Chair in Spinal Cord Injury Research appointment from 2007 until 2017.

Dr. Popovic received his Ph.D. degree in mechanical engineering from the University of Toronto, Canada in 1996, and the Dipl. Electrical Engineer degree from the University of Belgrade, Serbia in 1990. His fields of expertise are functional electrical stimulation, neuroprostheses, neurorehabilitation, neuromodulation, brain machine interfaces, physiological control systems, assistive technology, modelling and control of linear and non-linear dynamic systems, robotics, and signal processing.

In 1997, together with Dr. Keller, he received the Swiss National Science Foundation Technology Transfer Award - 1st place. In 2008, Dr. Popovic was awarded the Engineering Medal for Research and Development from the Professional Engineers of Ontario, and Ontario Society of Professional Engineers. In 2012, MyndTec Inc., which Dr. Popovic co-founded in 2008, won the first Prize and the Best Intellectual Property Award at the annual TiEQuest Business Venture Competition. In 2013, he received the Morris (Mickey) Milner Award for outstanding contributions in the area of Assistive Technologies from the Health Technology Exchange. Also, in 2013, together with Drs. Prodic, Lehn, and Huerta-Olivares, and Mr. Tarulli, Dr. Popovic received the University of Toronto Inventor of the Year Award. In 2015, Dr. Popovic received the 2014 University Health Network's Inventor of the Year Award. In 2017, he won the Accessibility Innovation Showcase and Tech Pitch Competition Award at the Ontario Centers of Excellence Discovery 2017 Conference. In 2018, Dr. Popovic received a Jonas Salk Lifetime Achievement Award for his lifetime contributions from the March of Dimes Canada. In 2019, he was awarded the Engineering Medal for

Entrepreneurship from the Professional Engineers of Ontario, and Ontario Society of Professional Engineers.

Mr. Richard Widgren – *Director*

Mr. Widgren is the former president of Life Beyond Barriers (LBB) and has moved to the position of in-house Advisor to the CEO of Urban Science (the 100% owner of LBB), where he presided over two rehabilitation clinics that were largely early state start-ups. He recently retired from Urban Science where he had served as Vice President, Treasurer and Chief Financial Officer. Prior to joining Urban Science, he served as Chief Financial Officer, Simplified Employment Services, Vice President, Finance, and Controller, Kelly Services, Inc.; Corporate Controller, McLouth Steel; Audit Manager and Consultant, Ernst & Young; and Assistant Controller, Giffels Associates, Inc.

Mr. Widgren began his career in 1962 as an Internal Auditor for General Motors. In 2011, he was awarded the Rehabilitation Institute of Michigan's (RIM) Humanitarian Award for his dedication as a board member at RIM and his outstanding service to the community. He is now the Chairman of the RIM Foundation (research and education foundation for physical acute rehabilitation services). In addition to serving as Chairman for RIM Foundation, he is the Chairman of the Legacy Detroit Medical Center, and Chairman of the Del Harder Rehabilitation Foundation.

During the six year tenure with Ernst & Young Mr. Widgren provided audit and financial consulting services to multiple hospital systems throughout the state of Michigan and in particular helped optimize their reimbursement through improving business processes. Mr. Widgren served as a Board member of the Detroit Medical Center, a multiple billion dollar health care system, as Treasurer of the Board. During that time Mr. Widgren also was the Vice Chair of the Board of Rehabilitation Institute, a member hospital in the Detroit Medical Center system.

Mr. Widgren was recently a trustee of the Detroit Medical Center and chairman of its audit committee, and director of Tech Team Global (NASDAQ) and chairman of its audit committee. In addition, he is chairman of the St. Clair Shores Tax Increment Finance Authority, the St. Clair Shores Corridor Improvement Authority, and the St. Clair Shores Brownfield Authority. Mr. Widgren is also Trustee and Board Treasurer for The Helm, a senior services center for the Grosse Pointe communities located in Grosse Pointe Farms, Michigan. In addition, he is the Vice Chairman of The Rehabilitation Hospital of Detroit Medical Center.

Beyond health care specific engagements, Mr. Widgren's experience is extensive in both business planning and in developing strategies to promote business health.

He is a Certified Public Accountant and a member of the Michigan Association of CPAs, where he previously served as director. Mr. Widgren holds a bachelor's degree in business administration from the University of Detroit Mercy.

Mr. Ronald Kurtz – *Vice-President, Engineering*

Mr. Kurtz is the Vice-President, Engineering, and in that capacity is responsible for all product development for the Company. In this role Mr. Kurtz also oversees implementation and technical support for all commercial products. Mr. Kurtz has over 25 years of experience in Engineering management and design for complex multidisciplinary systems, primarily focused on medical devices. He has experience with all aspects of product lifecycle management and has successfully guided many products from early stage development through formal clinical studies, regulatory approvals, market launch and adoption. Prior to joining the Company, Mr. Kurtz was VP Engineering and VP R&D for Profound Medical Inc., where for over six years he successfully developed and commercialized an MRI-guided ultrasound ablation system for the treatment of prostate cancer. Previously, he was the Director of Engineering for XLTEK a division of Natus Medical Incorporated, where he developed and launched a broad portfolio of diagnostic neurology products. Prior to joining XLTEK, Mr. Kurtz was a Software Engineer in the aerospace and robotics industry. Mr. Kurtz

graduated from McGill University in 1987 with a Bachelor of Engineering and in 1989 with a Masters of Engineering.

Mr. Scott W. Franklin – *Chief Financial Officer*

Mr. Franklin is responsible for financial reporting; taxation compliance; cash management; business analysis and planning; and, internal controls development and enforcement. He joined the Company as a part-time controller in June 2019 and has since installed internal accounting processes and controls, that were previously outsourced to a CPA firm. He has also been responsible for financial reporting to the Board and relationships with the external auditor. In June 2021, Mr. Franklin was appointed as CFO of the Company. Mr. Franklin developed his strategic thinking and results-driven skills through multiple public company experiences as Chief Financial Officer, including four part-time roles, in the last 11 years, at: Silvore Fox Minerals Corp., a TSX-V Mining Exploration Company; Organigram Holdings Inc., during its start-up as a TSX-V Licensed Marihuana Producer; Boulevard Industrial REIT, a TSX-V real estate investment vehicle; and, Lorne Park Capital Partners, a TSX-V public wealth management firm. Prior to working for the TSX-V companies, Mr. Franklin was employed for ten years at Investment Planning Counsel Inc. (IPC), a former TSX issuer, where he was Chief Financial Officer at the time the company was taken private, as a result of being acquired by IGM Financial Inc. (IGM). Thereafter, Mr. Franklin continued as CFO of IPC and part of the IGM Financial Team, within which he was heavily involved in the IFRS Conversion Project, relationships with IPC Independent Financial Advisors and three acquisition projects. Mr. Franklin's career also includes high-level roles in other Canadian industries, including: Vice President, Finance, Corporate Secretary and Partner of Athena International Canada Ltd., a distributor, franchiser and retailer of paper products; Controller of United Co-Operatives of Ontario, the province's farm supply co-op; and, Controller of Baxter Technology, a precision equipment manufacturing company. Mr. Franklin holds a Bachelor of Arts from the University of Toronto and was a Certified Professional Accountant. In addition, he has completed the Canadian Securities Course, the Partners, Directors and Officers Exam, and the Chief Financial Officers Qualifying Exam offered by the Canadian Securities Institute.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, CEO or CFO of any company, including the Company, that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

(b) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter, as required under the OBCA.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, a subsidiary, its promoters, directors and officers or other members of management of the Company, its subsidiary or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Enforcement of Judgments Against Foreign Persons

Mr. Richard Widgren, a director of the Company, resides outside of Canada and has appointed the Company at its mailing address of 1900 Minnesota Court, Suite 122, Mississauga, Ontario L5N 3C9 as agent for service of process in Canada. Securityholders are advised that it may not be possible for them to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the fiscal year ended December 31, 2021, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers (as defined below) of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, a named executive officer is each CEO, each CFO and each of the Company's executive officers, other than the CEO and the CFO whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company ("**Named Executive Officer**" or "**NEO**").

The anticipated NEOs for the current financial year ending December 31, 2022 ("**FY 2022**") are:

- Mr. Craig Leon, Chief Executive Officer*
- Mr. Scott Franklin, Chief Financial Officer
- Mr. Ronald Kurtz, Vice President – Engineering

*Effective as of June 22, 2021, Mr. Craig Leon became the Chief Executive Officer of the Company; prior to that date, Mr. Steven Plymale acted as the Chief Executive Officer of the Company.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Board. The type and amount of future compensation to be paid to NEOs and directors has not been determined at this time, and the Board has not considered the implications of the risks associated with the Company's compensation policies and practices.

As of the date of this Prospectus, given the early stage of the Company's development, the Board has not established any specific benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

The Board has tasked its Governance, Nominating and Compensation Committee with, among other things, setting the executive compensation philosophy and compensation policy of the Company, evaluating the performance of executive officers and establishing the appropriate executive compensation structure, and administering the Company's equity and incentive-based plans. The Governance, Nominating and Compensation Committee will annually review and approve corporate goals and objectives relevant to the compensation of the CEO, review and assess the CEO's performance relative to those goals and objectives, and set the CEO's compensation on an annual basis. It will also, in consultation with the CEO, review and make recommendations annually to the Board for consideration and approval with respect to non-CEO senior executive officer compensation. The Governance, Nominating and Compensation Committee will also review and make recommendations to the Board with respect to executive incentive compensation plans and equity-based plans in which executive officers and members of the Board are eligible to participate, and will oversee the administration of such plans.

Summary Compensation Table

Unless otherwise noted, the following table provides a summary of the annualized compensation expected to be earned by the NEOs for the year ended December 31 2021 ("**FY 2021**") and FY 2022, MyndTec's first fiscal year as a public company, to the extent this information has been determined:

Table of Compensation Excluding Compensation Securities (2021 and 2022)							
Name and Principal Position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**[(1)(2)]	**Bonus ($)**	**Committee or Meeting Fees ($)**[(7)]	**Value of Perquisites**	**Value of All Other Compensation ($)**	**Total Compensation ($)**
Mr. Craig Leon[(3)] Director and Chief Executive Officer	2022	250,000	-	-	9,000	-	259,000
	2021	129,808	-	-	4,500	-	134,308
Mr. Steven Plymale[(4)] Former Director and Chief Executive Officer	2022	-	-	-	-	-	-
	2021	137,018	255,861[(4)]	-	4,500	-	397,379
Mr. Scott Franklin[(5)] Chief Financial Officer	2022	60,000	-	-	-	-	60,000
	2021	146,906	-	-	-	-	146,906
Mr. Ronald Kurtz Vice President – Engineering	2022	175,000	-	-	-	-	175,000
	2021	186,666	35,000[(6)]	-	-	-	221,666
Mr. Carlo Pannella Director	2022	-	-	-	-	-	-
	2021	-	-	9,000	-	-	-
Ms. Christine Ozimek Director	2022	-	-	-	-	-	-
	2021	-	-	9,000	-	-	-
Dr. Peter Harvey Griggs Director	2022	-	-	-	-	-	-
	2021	-	-	9,000	-	-	-
Dr. Milos Popovic Director	2022	-	-	-	-	-	-
	2021	-	-	9,000	-	-	-
Mr. Richard Widgren Director	2022	-	-	-	-	-	-
	2021	-	-	9,000	-	-	-

Notes:
(1) Represents annual base salary expected to be paid for the year ending December 31, 2021.
(2) For the year ending December 31, 2021, the Company paid a base salary of $129,808 to Mr. Leon, $137,018 to Mr. Plymale, $48,000 to Mr. Franklin and $186,666 to Mr. Kurtz. In addition, Mr. Franklin is estimated to earn $96,000 for his work on the Company's Listing application.
(3) Mr. Leon has served as CEO since June 22, 2021 and does not earn any compensation in his role as a director of the Company.
(4) Mr. Plymale served as CEO and director until June 22, 2021 and did not earn any compensation in his role as a director of the Company. Mr. Plymale received a severance of $255,861 pursuant to the terms of his employment agreement.
(5) Mr. Franklin is retained for his services as an independent contractor.
(6) Mr. Kurtz was paid a one-time cash retention bonus for FY 2021.
(7) For each meeting attended, a board fee of $1,000 is payable to each director. Of this amount, $5,000 has not yet been paid remains payable to each director. The Company has not yet determined the number of meetings to be held in 2022.

Option Based Awards and Other Compensation Securities

Effective March 6, 2013, the Company adopted the Option Plan in order to provide effective incentives to directors, officers and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. See “Consolidated Capitalization - Option Plan”. The Company has no equity incentive plans other than the Option Plan. The size of Option grant is dependent on each individual’s level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

The following table sets out, all compensation securities granted or issued to each Director and NEO by the Company for FY 2021 and FY 2022, to the extent this information has been determined:

Compensation Securities					
Name and Principal Position	**Type of Compensation Security**	**Number of Compensation Securities, Number of Underlying Securities, and Percentage of the Options Class**	**Date of Issue or Grant**	**Issue, Conversion or Exercise Price ($)**	**Expiry Date**
Mr. Craig Leon Director and Chief Executive Officer	Options	500,000 (50.12%)[(1)] 100,000 (10.02%)[(1)]	June 21, 2021 August 15, 2021	1.00 1.00	June 21, 2031 August 15, 2031

Note:
(1) Mr. Craig Leon, in his capacity as the new CEO of the Company, has received 600,000 options with an aggregate total fair market value of $332,578. 100,000 of the options vested on August 15, 2021, 125,000 of the options vest on July 21, 2022 and the remainder of the options vest monthly over 36 months commencing August 21, 2023 and ending on July 21, 2025.

As of the date of this Prospectus, none of the options set out above have been exercised.

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

Except as set out below, the Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities.

We have entered into written agreements with all of our NEOs. Each of these agreements contains provisions regarding non-competition, non-solicitation and confidentiality and ownership information.

CEO Employment Agreement

The Company is party to an employment agreement entered into with Mr. Craig Leon dated June 22, 2021 (the "**CEO Employment Agreement**"). Pursuant to the terms of the CEO Employment Agreement, Mr. Leon is entitled to a base salary of $250,000 per annum. The CEO Employment Agreement provides that the Company may terminate Mr. Leon's employment at any time for just cause, without notice or payment in lieu of such notice, subject to any minimum entitlements provided to Mr. Leon under the ESA.

The CEO Employment Agreement provides that on a termination by the Company without cause, Mr. Leon will be entitled to (i) six months of notice, or six months of Mr. Leon's base salary (at the time of termination) in lieu of such notice (or any combination thereof at the Company's election) plus (ii) three months of notice, or three months of Mr. Leon's base salary (at the time of termination) in lieu of such notice for each completed year of service from the deemed date of service from Mr. Leon, and together with (i) and (ii) up to a combined maximum of 12 months of notice, or 12 months of Mr. Leon's base salary (at the time of termination) in lieu of such notice (or any combination thereof at the Company's election). The entitlements are inclusive of any statutory entitlements that Mr. Leon may have under the ESA to notice or termination pay, severance pay (if any), and benefit continuation upon the termination of his employment without just cause, and in the event that Mr. Leon has any additional minimum statutory entitlements arising under the ESA, such entitlements will be provided to Mr. Leon.

The CEO Employment Agreement also provides that Mr. Leon may resign on giving at least four weeks' written notice to the Company; which notice period may be waived by the Company in whole or in part, subject to the ESA and the continuation of Mr. Leon's pay and benefits during such notice period.

In connection with the CEO Employment Agreement, Mr. Leon also entered into an option grant letter and is subject to standard covenants related to the confidentiality and ownership of Company information, non-solicitation and non-competition.

CFO Agreement

The Company is party to a consulting agreement entered into with Mr. Scott Franklin dated June 12, 2019 (the "**CFO Agreement**"). The CFO Agreement operates on the basis of a monthly retainer with an hourly rate of $125/hour. The CFO Agreement is subject to a 30-day notice by either party and has no severance or other obligations therein. The CFO is not an employee of the Company.

VP Engineering Agreement

The Company is party to an employment agreement entered into with Mr. Ronald Kurtz dated February 26, 2019 (the "**VP Agreement**"). Mr. Kurtz assumed the role of VP Engineering on March 1st, 2019 and maintains the position currently with the Company. As VP Engineering, Mr. Kurtz assumed all responsibilities related to product development and technical support of the commercial installed base.

Pursuant to the terms of the VP Agreement, Mr. Kurtz is entitled to a base salary of $175,000 per annum. The VP Agreement provides that the Company may terminate Mr. Kurtz's employment at any time for just cause, without notice or payment in lieu of such notice, subject to any minimum entitlements provided to Mr. Kurtz under the ESA.

The VP Agreement provides that on a termination by the Company without cause, Mr. Kurtz will be entitled to (i) three months of notice, or three months of Mr. Kurtz's base salary (at the time of termination) in lieu of such notice (or any combination thereof at the Company's election), plus (ii) one month of notice, or one month of Mr. Kurtz's base salary (at the time of termination) in lieu of such notice for each completed year of service from the deemed date of service from Mr. Kurtz, and together with (i) and (ii), up to a combined

maximum of nine months of notice, or nine months of Mr. Kurtz's base salary (at the time of termination) in lieu of such notice (or any combination thereof at the Company's election). The entitlements are inclusive of any statutory entitlements that Mr. Kurtz may have under the ESA to notice or termination pay, severance pay (if any), and benefit continuation upon the termination of his employment without just cause, and in the event that Mr. Kurtz has any additional minimum statutory entitlements arising under the ESA, such entitlements will be provided to Mr. Kurtz.

The VP Agreement also provides that Mr. Kurtz may resign on giving at least four weeks' written notice to the Company; which notice period may be waived by the Company in whole or in part, subject to the ESA and the continuation of Mr. Kurtz's pay and benefits during such notice period.

In connection with the VP Agreement, Mr. Kurtz also entered into an option grant letter and is subject to standard covenants related to the confidentiality and ownership of Company information, non-solicitation and non-competition.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

Director Compensation

Except as disclosed below, the Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts.

As of the date of this Prospectus, the Board has not established any formal compensation policy for its Board. The Company currently offers a meeting fee of $1,000 for Board members for each Board meeting attended by a Director and such fee is deemed to be full payment for the role of director. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of Options and reimbursement of expenses incurred by such persons acting as directors of the Company.

Mr. Craig Leon does not and will not receive additional compensation for serving as a director on the Board given his remuneration as an officer of the Company.

Each director will be entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending Board meetings and meetings for any committee on which such director serves. Since March 2020, there have been no travel expenses incurred by the Company due to all meetings of the Board being conducted virtually.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or its subsidiary, or has been at any time during the preceding financial year. None of the Company's directors, executive officers, employees, former directors, former executive officers or former employees, or of its subsidiary, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or its subsidiary or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or its subsidiary.

AUDIT COMMITTEE

Audit Committee

The Audit Committee assists the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. In addition, the Audit Committee provides an avenue for communication between the external auditor, management and other employees of the Company, as well as the Board, concerning accounting, financial reporting and auditing matters.

NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's Audit Committee and its relationship with the Company's independent auditors. Mr. Carlo Pannella is the chair of the Audit Committee.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule B to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Director[(1)]	Independent[(2)]	Financially literate[(3)]
Mr. Carlo Pannella	Yes	Yes
Ms. Christine Ozimek	Yes	Yes
Mr. Richard Widgren	Yes	Yes

Notes:
(1) See "Directors and Executive Officers".
(2) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
(3) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his or her performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting. See "Directors and Executive Officers" for further details.

For a summary of the experience and education of the Audit Committee members see "Directors and Executive Officers".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to pre-approve all non-audit services to be provided to the Company, or any subsidiaries, by the Company's external auditor and to consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence. The Audit Committee is also authorized to delegate such pre-approval to one or more independent members of the Audit Committee to the extent permitted by applicable laws, regulations, rules and listing standards.

External Auditor Service Fees

The following sets forth the fees billed or accrued for various services provided by the Company's former external auditor, PricewaterhouseCoopers LLP, and its current external auditor, MNP LLP, of the Company and its wholly-owned subsidiary, in the Company's fiscal years ending December 31, 2021 and December 31, 2020.

	Fiscal 2021 ($)	Fiscal 2020 ($)
PricewaterhouseCoopers LLP		
Audit fees[1]	49,254	43,307
Audit related fees[2]	Nil	Nil
Tax fees[3]	27,017	35,310
All other fees[4]	2,675	Nil
MNP LLP		
Audit fees in conjunction with the Listing[5]	96,300	Nil
Audit related fees[2]	42,800	Nil
Total fees paid	218,046	78,617

Notes:
(1) Fees for audit service on an accrued basis.
(2) Fees for assurance and related services not included in audit service above.
(3) Fees for tax compliance, tax advice and tax planning.
(4) All other fees not included above.
(5) Fees for audit service, pursuant to listing requirements for the Company, on an accrued basis in accordance with IFRS.

Exemption

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-Audit Services).

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as a venture issuer (as such term is defined under NI 52-110), is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and will be charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. The Company's corporate governance practices are summarized below:

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings. The Board is comprised of six directors, being Dr. Peter Harvey Griggs, Mr. Craig Leon, Ms. Christine Ozimek, Mr. Carlo Pannella, Dr. Milos Popovic, and Mr. Richard Widgren. At this time, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the six directors on the Board, all are independent with the exception of Mr. Craig Leon due to his role as the CEO of the Company.

Directorships

The Board has not adopted a formal director interlock policy, but is kept informed of other public directorships held by its members. None of the members of the Board are currently directors of other companies that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

Chair of the Board

The Chair of the Board is principally responsible for overseeing the operations and affairs of the Board. Ms. Christine Ozimek was appointed as Chair of the Board on July 26, 2021, to hold office until her successor is elected or appointed.

Mandate of the Board

The Company does not currently have a written Board mandate or position descriptions for its executive officers. The Company anticipates that these will be adopted by the Company in due course following the Listing.

Director Orientation and Continuing Education

The Board will oversee an appropriate orientation for new Board members in order to familiarize them with the Company and its business (including the Company’s reporting and organizational structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management,

and external auditors), the role of the Board and its committees, and the contribution that an individual Board member is expected to make to the Board, its committees (if applicable) and the Company.

Board members will be encouraged to keep themselves current with industry trends and developments and will be encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of the Company.

While the Company currently has no formal orientation and education program for new Board members, sufficient information is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board.

Board Assessments

Historically, the individual performance of Board members and of committees as a whole was undertaken regularly and on an *ad hoc* basis, under the oversight of the Chair of the Board. The Company currently has a Governance, Nominating and Compensation Committee, whose mandate includes, among other things, evaluating the effectiveness and performance of the Board and its individual members as well as the size and composition of the Board as a whole. One of the responsibilities of the Governance, Nominating and Compensation Committee is to annually assess and report to the Board on the performance and effectiveness of directors and to oversee the evaluation of the Board, its committees and each of its members. Based on its review, the Governance, Nominating and Compensation Committee will recommend to the Board any changes, where appropriate.

Nomination of Directors

The Company has adopted an advance notice bylaw for the nomination of directors (the "**Advance Notice Bylaw**"), which is intended to: (i) facilitate an orderly and efficient process for meetings of the shareholders of the Company; (ii) ensure that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; (iii) allow the Company and the shareholders to evaluate all nominees' qualifications and suitability as a director of the Company; and (iv) allow shareholders to cast an informed vote for the election of directors, having been afforded a reasonable time for appropriate deliberation. Subject to the OBCA and the Articles of the Company, only persons who are nominated in accordance with the procedures set out in the Advance Notice Bylaw will be eligible for election as directors of the Company.

Part of the mandate of the Governance, Nominating and Compensation Committee is to review and recommend the nomination of qualified candidates to become members of the Board. The Governance, Nominating and Compensation Committee establishes the qualifications of and assists in identifying candidates for the Board, including the competencies and skills each individual director is expected to bring, availability to serve, independence, conflicts of interest and other relevant factors. It also periodically presents to the Board a list of individuals recommended for nomination for election to the Board.

Compensation

One of the purposes of the Board's Governance, Nominating and Compensation Committee is establishing and assessing the compensation of the directors of the Board, and its responsibilities in this respect include:

- periodically reviewing the adequacy and form of compensation of directors to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director;

- reviewing and assessing the adequacy and form of compensation paid to non-management members of the Board and recommending to the Board any changes, where appropriate; and

- reviewing and making recommendations to the Board with respect to executive incentive compensation plans and equity-based plans in which executive officers and members of the Board are eligible to participate.

The Board regularly reviews compensation matters and plans to review and assess compensation matters once again upon completion of the Listing.

Other Board Committees

Other than the Audit Committee and the Governance, Nominating and Compensation Committee, the Company has no other standing committees. Following the Listing, the Company will consider creating new committees, if and when appropriate.

Ethical Business Conduct

The Company has adopted a written Code of Conduct and Ethics (the ''**Code of Conduct**'') that applies to all contract employees, officers and directors of the Company and its affiliates. The objective of the Code of Conduct is to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or perceived conflicts of interest;
- compliance with applicable laws, rules, regulations and internal policies;
- full, fair, accurate, timely and understandable disclosure in reports, documents and communications;
- the prompt internal reporting of violations of the Code of Conduct; and
- accountability for adherence to the Code of Conduct.

The Code of Conduct addresses, among other matters, conflicts of interest, protection of the Company's assets, confidentiality, fair dealing with stakeholders and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board's Audit Committee reviews and assesses the Code of Conduct on an annual basis, makes recommendations to the Board where appropriate, and is responsible for monitoring compliance with the Code of Conduct.

Blackout Periods

The Company recognizes that for good corporate governance reasons, many public issuers have internal policies prohibiting certain employees from buying or selling the issuer's securities or exercising stock options during specific periods. The time periods in which these employees are not permitted to trade in an issuer's securities are often called ''blackout periods''. Trading restriction policies are not only a component of good corporate governance, they also assist in fostering compliance with legal requirements that prohibit people from trading in a public issuer's securities when they have material information about the issuer that has not been released to the public. A blackout period is designed to prevent a person from trading on material information that is not yet available to other security holders. For example, a blackout period occurs during a specified period before and after the day that an issuer announces its quarterly or annual earnings. A blackout period might also arise during the time that an issuer has material undisclosed information about an important potential transaction it might be considering, such as a significant merger or acquisition. The Company has adopted an Insider Trading, Reporting and Blackout Policy to foster a culture of compliance with Company blackout periods.

Disclosure Policy

To ensure that the Company complies with its timely disclosure obligations under securities laws, the Company will adopt and implement a disclosure policy that sets out the controls and procedures to be followed for the dissemination of Company information to the public, and in particular controls and procedures for disclosure, the preparation of public documents, and timely disclosure of material information. The disclosure policy also covers procedures regarding public oral statements, avoiding selective disclosure, and dealing with analyst reports, as well as prohibitions against commenting on rumours and posting or discussing Company information in Internet chat rooms, newsgroups or bulleting boards. The Company will create a disclosure committee which will be responsible for implementing the disclosure policy and carrying out the procedures set out in it.

RISK FACTORS

An investment in the securities of the Company involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated readers who are willing to risk loss of their entire investment. Readers should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, readers should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. If any of the risks discussed in this Prospectus actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we currently deem immaterial, the Company's business, financial condition, results of operations and prospects may be materially adversely affected.

Risks Relating to Our Financial Position and Need for Capital

Negative Operating Cash Flow

The Company's business has incurred substantial net losses since its inception. For the years ended December 31, 2020 and 2019, the Company incurred a net loss of $1,494,498 and $1,848,364, respectively. The Company had an accumulated deficit of $12,774,138 as of December 31, 2020. For the nine months ended September 30, 2021, the Company incurred a net loss of $2,628,969. As of September 30 2021, our accumulated deficit was $15,403,107. The Company’s losses have resulted primarily from costs incurred in connection with our design, manufacturing and development activities, research and development activities, building our commercial infrastructure, legal, advertising, marketing and investor relations, and general and administrative expenses associated with our operations.

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 generated limited revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, as revenues increase, the Company expects for its net losses to improve. The Company's ability to generate additional revenues and the 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.

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund its ongoing operating expenditures, meet its liabilities for the ensuing year, and fund necessary activities to commercialize its technology, generate revenue and achieve positive cash flows from operations. 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.

Need for Additional Financing

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. 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.

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

No Assurance of Profits or 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.

Reliance Upon Estimates, Forecasts and Projections

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources in the industry that are instructive to the Company. The projected financial and operating information of the Company in this Prospectus reflects current estimates of future performance made by the Company itself, including, but not limited to, the forecast of gross margins and revenues. Such estimates may prove to be incorrect. A failure in the demand for MyndMove™ to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company. In addition, as at the date of this Prospectus, two clinics in Michigan, USA (i.e., through LBB) are the sole sources of revenues in the United States for the sale of MyndMove™ which increases the risk inherent in the Company's financial projections. If the forecasts herein do not materialize, there is no guarantee that the Company will achieve sufficient sales revenue to sustain its operations. There is a risk that the length of time needed to achieve meaningful sources of revenue may extend beyond the period during which the Company has sufficient cash to maintain operations.

Whether actual operating or financial results and business developments will be consistent with those expectations and assumptions reflected in projected financial and operating information depends on a

number of factors, some of which are outside the Company's control, including, but not limited to, the following:

- the Company's ability to manage its growth;
- the Company's ability to obtain sufficient capital and successfully execute its growth strategy, including ramping up revenues and eliminating the negative operating cash flows of previous periods;
- the Company's ability to secure and maintain required strategic supply and distribution arrangements;
- the Company's ability to perform in line with its business plan;
- the rates of adoption of MyndMove™ by customers in the markets in which the Company operates;
- the competition, including from established and future competitors;
- the Company's ability to attract and retain management or other employees who possess specialized market knowledge and technical skills;
- the Company's ability to economically manufacture and distribute MyndMove™ at scale and meet customers' business needs;
- the Company's ability to accurately forecast supply and demand;
- the projected improvements in technology;
- the continued availability of favorable regulations and government incentives affecting the industry and markets in which it operates; and
- the overall strength and stability of the US and Canadian economies.

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company is subject to all of the business risks and uncertainties associated with a new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues and the risk that the Company will not achieve its operating goals. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Actual Financial Position and Results of Operations May Differ from Expectations of Management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's limited operating history makes it difficult for management to evaluate the Company's future business prospects and make decisions based on those estimates of the Company's future performance. As such, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning

may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Risks Relating to the Development and Commercialization of our Products

Reliance on One Product Candidate

MyndMove™ therapy is the only launched commercial product of the Company. The Company has limited sales to date and may never achieve significant sales. The process of obtaining regulatory authorization is expensive and time-consuming and can vary substantially based upon, among other things, the type, complexity and novelty of a product. Changes in regulatory policy, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application may cause delays in the authorization of a product candidate or rejection of a regulatory application altogether.

In addition, the Company intends to develop its next generation of MyndMove™ with design improvements and expanding our clinical applications to improve mobility outcomes in stroke, SCI and related neurological conditions. The Company expects that a significant portion of its revenues will be derived from MyndMove™ and as such, future results will depend on the Company's ability to successfully develop and commercialize such products. New, updated, or revised products may also require separate regulatory approvals, which may not be granted by the regulating bodies, or may require additional costs to meet privacy requirements. No assurance can be given that we will be able to introduce new products or products currently under development for additional indications in a timely manner, or at all. In addition, we may not be able to clinically demonstrate the medical benefits of our new products.

Limited Market Awareness of Our Product

There is currently limited market awareness of our product. In order to succeed, we must, among other things, increase market awareness of MyndMove™ therapy and implement an effective sales and marketing strategy. In Canada and the United States of America, the Company markets and sells MyndMove™ directly to clinics and institutions. The Company's approach is to start with strategic accounts and expand through direct sales. In addition to the Company's direct sales approach, the Company is expanding to a distributor-based sales strategy whereby it will sell via distribution partnerships in specific territories. On September 29, 2021, the Company entered into an exclusive distribution agreement with respect to the United States of America. See "Description of the Business – Sales and Marketing" and "Material Contracts – Exclusive Distribution Agreement". The Company also sells to the United States of America government health care facilities via its sales agent agreement with MVM.

If we fail in effectively implementing our sales and marketing strategy, or experience delays in pursuing such strategy, we will not generate revenues as planned and will need to curtail operations or seek additional financing earlier than otherwise anticipated. In addition, if MyndMove™ therapy fails to become more integrated in neurological therapy, it could have a materially adverse effect on our business and financial position. See “Risk Factors – Risks Relating to our Business Operations – Retention and Acquisition of Management and Skilled Personnel" and "Risk Factors – Risks Relating to our Business Operations – Ability to Expand the Sales, Marketing and Training Infrastructure".

No Assurance of Adequate Coverage for Products

Maintaining and growing sales of our products depends on the availability of adequate coverage and reimbursement from third party payors, including government programs such as Medicare and Medicaid, private insurance plans and managed care programs. Hospitals and other healthcare providers that purchase medical devices such as the ones that we manufacture for treatment of their patients generally rely on third party payors to pay for all or part of the costs and fees associated with the procedures performed with these devices, including the cost to purchase the product. Our customers’ access to adequate coverage and reimbursement for the procedures performed with our products by government and private insurance plans is central to the acceptance of our current and future products. We may be unable

to sell our products on a profitable basis if third party payors deny coverage or reduce their current levels of payment, or if our costs of production increase faster than increases in reimbursement levels. Many private payors use coverage decisions and payment amounts determined by CMS, which administers the Medicare program, as guidelines in setting their coverage and reimbursement policies. Future action by CMS or other government agencies may diminish payments to physicians, outpatient centers and/or hospitals. Those private payors that do not follow the Medicare guidelines may adopt different coverage and reimbursement policies for procedures performed with our products. For some governmental programs, such as Medicaid, coverage and reimbursement differ from state to state, and some state Medicaid programs may not pay an adequate amount for the procedures performed with our products, if any payment is made at all. As the portion of the United States of America's population over the age of 65 and eligible for Medicare continues to grow, we may be more vulnerable to coverage and reimbursement limitations imposed by CMS. Furthermore, the healthcare industry in the United States of America has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs by imposing lower payment rates and negotiating reduced contract rates with service providers. Therefore, we cannot be certain that the procedures performed with our products will be reimbursed at a cost-effective level.

Unproven Market for Products and Technologies

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and technologies and the degree of commercial viability of the potential product candidates identified by the Company's platform. Even when product candidates are successfully identified, the Company's ability to generate significant revenue depends on the acceptance of such identified product candidates by the Company's potential partners and healthcare providers. The Company cannot be sure that its products and technologies or any identified product candidates will achieve the expected market acceptance and demand. Any factors preventing or limiting the market acceptance of the Company's products and technologies or any identified product candidates for licensing could have a material adverse effect on the Company's business, results of operations, and financial condition.

Risks Associated with Clinical Trials

Clinical trials are often required to gain acceptance in the medical community to adopt new treatments or products. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of pre-clinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the medical device industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. Regulatory authorities in some jurisdictions may also require clinical trials to be conducted demonstrating the safety and efficacy of a product prior to giving it a regulatory approval. The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in acceptance by the medical community or by regulatory bodies. A product candidate may fail for safety or efficacy reasons at any stage of the testing process, including post-marketing clinical trials. The unknown outcomes of clinical trials may have a material adverse effect on the Company's business, results of operations, product offerings, and financial condition.

In addition, the results of the United States Department of Defence clinical trials may not be available in a timely manner or may indicate that the technology does not provide the clinical benefit that the Company expects. Any delay in the reporting of the results, results that are not consistent with the Company's data or results that show little or no clinical benefit, will have a material adverse effect on our financial condition and results of operations.

Ability to Achieve or Maintain Market Acceptance

We currently rely, and in the future will rely, on sales of MyndMove™ for our revenue. The Company currently seeks to achieve market adoption through a clinical evaluation model. MyndMove™ may not be

perceived to have sufficient potential benefits compared with its alternatives and there is no assurance that adoption rates will increase. Also, we believe that healthcare providers tend to be slow to change their medical treatment practices because of perceived liability risks arising from the use of new products and the uncertainty of third party reimbursement. Management believes that the lack of dedicated reimbursement codes at sufficient reimbursement levels could significantly hamper market adoption and our ability to generate sufficient revenues. Furthermore, clinicians may not have sufficient evidence or clinical data to complete the analysis to justify the adoption of MyndMove™ as a best practice tool within their continuum of care. Accordingly, healthcare providers may not recommend MyndMove™ until there is sufficient evidence to convince them to alter the treatment methods they typically recommend.

Product Liability

The risk of product liability is inherent in the research, development, marketing and use of medical devices. Product candidates and products that the Company may license or sell in the future may cause, or may appear to have caused, injury or adverse reactions, and expose the Company to product liability claims. These claims might be made by patients, customers, healthcare providers, medical device manufacturers, corporate collaborators or others selling such products. 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 the Company's services or willingness to partner with the Company due to negative public perception;
- injury to the Company's reputation;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to patients;
- product recalls or withdrawals, or labeling, marketing or promotional restrictions;
- loss of revenues from product sales or increased product returns; and
- the inability to license or sell any of the Company's identified product candidates.

The insurance coverage of any insurance obtained by the Company 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. 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.

Risks Relating to Our Reliance on Third Parties

Doing Business in Foreign and Emerging Markets

The Company is beginning to seek distributors outside of Canada, initially in the United States and in Singapore and Malaysia. The Company may also seek distribution agreements for its products elsewhere in the world, including Asia, Europe or South America. Operating in foreign countries (including in the United States) provides further market opportunities but also exposes the Company to political risks, country risks and currency risks in many forms. In addition, in jurisdictions outside of Canada, we cannot assure you that any market for the Company's products will develop.

In entering into distribution agreements to distribute the Company's products markets outside of Canada, the Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition. In addition, the Company may find it difficult to monitor the operations and distribution arrangements of any parties with whom the Company does business in jurisdictions outside of Canada. These factors may limit the Company's ability to successfully distribute its products in such jurisdictions and may have a material adverse effect on the Company's business, financial condition and results of operations.

Any distribution arrangements with distributors in jurisdictions outside of Canada expose the Company to the socioeconomic conditions as well as the laws governing such countries. Inherent risks with conducting business in jurisdictions outside of Canada include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; cultural and language barriers; different banking systems and standards; competency and oversight of foreign experts (legal, tax, accounting and audit-related); and changing political norms, currency controls and governmental regulations that may favour or require the Company or its distributors to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction. Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in investment policies or shifts in political attitude in the countries in which the Company's distributors operate may adversely affect the Company's operations or profitability. To manage the political risks, processes will be put in place to actively monitor and analyze the political landscape. Executives will meet to discuss and analyze the political developments and the Board will have an oversight role in ensuring the Company's strategy takes into account shifts in political factors.

Any distribution arrangements that the Company may enter into may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licenses, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company's plans to expand could result in the use of component auditors that are not participating audit firms with the Canadian Public Accountability Board (the "**CPAB"**), while public accounting firms that audit Canadian reporting issuers must participate in CPAB's oversight program. The work of a component auditor outside Canada can impact the execution of quality audits if the work is not executed in accordance with the group auditor's direction and carefully supervised and evaluated by the group auditor. The CPAB's inspection activity of reporting issuers with foreign operations is often limited to engagement files accessible only in Canada as it currently has no legal means to compel access to work completed by component auditors. Without access to component auditor working papers in foreign jurisdictions, CPAB is restricted in fulfilling its mandate.

The systems of corporate governance to which companies in emerging markets are subject may be less advanced than that to which Canadian issuers are subject, and therefore, shareholders in such companies may not receive many of the protections available to shareholders in Canada. Securities laws in many emerging markets countries are relatively new and unsettled. In addition, laws regarding foreign investment in emerging market securities, securities regulation, title to securities and shareholder rights may change quickly and unpredictably.

Reliance on Third Party Distributors

The Company relies on and intends to rely on distributors to distribute its product outside of Canada, including LBB. In addition, the Company is in negotiations with Fourier for a distribution agreement in Malaysia. We cannot assure you that any negotiations with Fourier will result in a distribution agreement with Fourier or, if they do result in a distribution agreement with Fourier, in a distribution agreement that will be on terms favorable to the Company.

The legal and regulatory requirements in the foreign countries in which the Company engages distributors to distribute its products, as well as local business culture and practices, are different from those in Canada. The officers and directors of the Company must rely, to a great extent, on the Company's local legal counsel and local distributors in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business, and to assist the Company with its governmental relations.

The Company must rely, to some extent, on those members of management and the Company's board of directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of its distributors, local experts, and professionals in connection with current and new regulations that develop as well as in respect of banking, financing, labour, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

In addition, even though the Company may have written agreements with distributors, the Company may find it difficult to monitor the actions of any distributor or to seek legal redress (or to successfully enforce a judgement against a distributor in a foreign jurisdiction) in the event that a distributor breaches a contract or the actions of a distributor adversely affect the Company's reputation or that of its products. Any inability of the Company to monitor the actions of a distributor or to obtain legal redress (including enforcing a judgement against a distributor) may adversely affect the Company's reputation, both locally and internationally and will have a material adverse effect on the Company's business, results of operations and financial condition.

Inability to Identify, Discover or License Product Candidates and Reliance on Third Parties

The success of the Company's business depends on its ability to expand its intellectual property portfolio and develop new commercial products. The Company's research programs may fail to yield product candidates and the Company may fail to license identified product candidates for a number of reasons, including but not limited to the following:

- the Company's research process may be unsuccessful in identifying new intellectual property;
- the Company may not be able or willing to assemble sufficient resources to identify or discover additional product candidates;
- the Company may not succeed in partnering with third parties to advance identified product candidates to the experimental research stage;

- the Company's identified product candidates may not succeed in pre-clinical or clinical testing;
- the market for an identified product candidate may change during the Company's program so that such a product candidate may not be attractive to healthcare providers;
- an identified product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all;
- the Company may find a lack of reimbursement from public and private insurance providers for its products and services; and
- an identified 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 efforts to identify, discover or license 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.

Reliance On Our Manufacturer and Suppliers and Compliance with Quality Standards

While we are the manufacturer of record with the FDA and Health Canada for the MyndMove™ device, we have contracted with RMF, a contract manufacturer with expertise in the medical device industry, for the contract manufacture of all of our products. In accordance with our contract with RMF, RMF manufactures the MyndMove™ device pursuant to our specifications at its facility in Mississauga, Ontario. As the manufacturer of the MyndMove™ device, we ultimately remain responsible to the FDA and Health Canada for overseeing RMF's manufacturing activities to ensure that they conform with product specifications and applicable laws and regulations, including FDA's good manufacturing practice requirements for medical devices. Any failure to effectively oversee the regulatory compliance of the product and contract manufacturing activities by RMF can lead to potential enforcement actions, including civil or criminal liabilities, as well as recalls with the FDA or Health Canada.

The Company is also required to maintain compliance with quality standards to maintain its ability to market products in the United States of America and Canada. The Company is subject to surveillance audits to ensure it is meeting its compliance requirements for the respective regulations for each jurisdiction. Failure to maintain compliance may result in the loss of certifications and/or licenses to market in these jurisdictions.

The Company also relies on third party suppliers to supply certain components of the MyndMove™ device. The Company does not have long-term supply agreements with any of its suppliers and, in many cases, makes purchases on a purchase order basis. Our ability to secure adequate quantities of such products may be limited. Suppliers may encounter problems that limit their ability to manufacture components for our products, including financial difficulties or damage to their manufacturing equipment or facilities. Recent global shortages of semiconductors, due to rising demand across a number of industries and supply shortages resulting from the COVID-19 pandemic, have led to a number of manufacturers announcing temporary curtailment of or delays in planned production resulting in reduction of output of certain components and products or selective idling of manufacturing plants. The extent to which these recent developments and their related effects will impact the Company's business and operations and those of its suppliers and manufacturers, including the duration, severity and scope thereof, remain uncertain and cannot be predicted at this time. Should the current global semiconductor shortage continue for a prolonged period or significantly intensify, it would be expected to have a negative impact on the Company's suppliers and manufacturer's production volumes and businesses, which in turn, could have a material adverse effect on the Company's business, financial condition and results of operations. The Company is continuing to

evaluate these developments and its production schedules and orders, including mitigation and optimization strategies, to determine the impact these developments may have.

While management believes that, based on currently available information, its current assumptions and estimates and its best judgement, the Company will be able to establish additional or replacement sources for certain components or materials, if the Company or our suppliers fail to obtain sufficient quantities of high-quality components to meet demand on a timely basis, or fail to effectively oversee the regulatory compliance of the supply chain, we could face regulatory enforcement, have to conduct recalls, lose customer orders, our reputation may be harmed and our business could suffer.

Risks Relating to Our Intellectual Property

Intellectual Property and Licenses

The Company's success is heavily dependent on the Company's intangible properties and technologies, and will depend in part on its ability to protect and maintain its intellectual property rights. No assurance can be given that the patents will not be challenged, invalidated, infringed or circumvented, nor that the patents will provide competitive advantages to the Company. 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. 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 any such licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

Changes to Patent Law

Important legal issues remain to be resolved as to the extent and scope of available patent protection for medical devices and technological processes in Canada and other important markets outside Canada, such as Europe or the United States of America. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's 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 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 the Company's products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

Enforcement of Intellectual Property in Other Jurisdictions

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 identified product candidates may be licensed or 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. 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 United States of America, and foreign countries may affect the Company's ability to obtain adequate protection for its technology and the enforcement of its intellectual property.

Risks Relating to Government Regulation

Regulatory Compliance Risks

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory obligations including compliance with manufacturing and marketing requirements. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be subjected to product recalls, market withdrawals, seizure, impoundment or destruction in the event that products do not comply with regulatory requirements. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. In some jurisdictions, industry codes of ethics, self-regulatory bodies or other non-legal sources of rules or standards may require us to alter our operations or business practices to meet industry expectations or best practices and to avoid regulatory scrutiny.

Our products are intended to be used by trained health care professionals, who themselves are subject to legal and regulatory obligations, including fiduciary duties, practice directives, policies, and codes of ethics. Changes in these legal and regulatory obligations, or in the application or degree of enforcement of existing obligations, could cause health care professionals to change their practices or adopt new practices and modes of care. This may cause us to change our operations, marketing, product offering, or otherwise have a material adverse effect on the business.

Product Safety and Recall Risks

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us or one of our distributors could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our reputation, results of operations and financial condition, which could impair our ability to produce our products in a cost-effective and timely manner in order to meet our customers’ demands. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits.

Further, under the FDA's MDR, we are required to report to the FDA any incident in which our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. Repeated product malfunctions may result in a voluntary or involuntary product recall, which could divert managerial and financial resources, impair our ability to manufacture our products in a cost-effective and timely manner and have an adverse effect on our reputation, results of operations and financial condition.

Any adverse event involving our products, whether in the United States of America or abroad, could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection, mandatory recall or other enforcement action. Any corrective action, whether voluntary or involuntary, would require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

Off-Label Promotion Risks

Off-label use and promotion refers to any use or representations we make in promotional materials, training materials, websites or in other mediums that are not consistent with the approved label, instructions for use, or user manual. Our promotional materials and training methods must comply with FDA and other applicable laws and regulations, including the prohibition of the promotion of off-label use. Physicians may use our products off-label, as the FDA does not restrict or regulate a physician's choice of treatment within the practice of medicine. In some cases, physicians may choose to use a product off-label even where there is insufficient clinical or scientific data supporting that use. However, if the FDA determines that our promotional materials or training constitutes promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine, administrative monetary penalties, and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use or a use inconsistent with an unapproved label, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In addition to regulatory enforcement action or penalties, our reputation could be damaged and adoption of the products would be impaired. Although our policy is to refrain from statements that could be considered off-label promotion of our products, the FDA or another regulatory agency could disagree and conclude that we have engaged in off-label promotion. In addition, the off-label use of our products may increase the risk of injury to patients, and, in turn, the risk of product liability claims. Product liability claims are expensive to defend and could divert our management's attention, result in substantial damage awards against us and harm our reputation.

Fraud and Abuse Compliance

We and our distributor sales representatives must comply with the United States of America's federal and state fraud and abuse laws, including anti-kickback laws, false claims laws and other United States of America federal and state anti-referral laws. Our relationships with physiatrists, neurologist, physical therapists, occupational therapists, hospitals and our independent distributors are subject to scrutiny under these laws. Violations of these laws are punishable by criminal and civil sanctions, including, in some instances, imprisonment and exclusion from participation in federal and state healthcare programs, including the Medicare, Medicaid and Veterans Administration health programs. Because of the far-reaching nature of these laws, we may be required to alter or discontinue one or more of our business practices to be in compliance with these laws. Similar laws may exist in other jurisdictions in which we operate or sell our products into.

Risks Relating to our Business Operations

Retention and Acquisition of Management and Skilled Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's

business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Ability to Expand the Sales, Marketing and Training Infrastructure

A key element of our business strategy is the continued expansion of our sales and marketing infrastructure, through the hiring, training, retaining and motivating of skilled sales and marketing representatives with industry experience and knowledge. In order to grow our business efficiently, we must coordinate the expansion of this infrastructure with the timing of regulatory approvals, decisions regarding reimbursements, and other factors in various geographies. Developing a sales and marketing infrastructure is expensive and time consuming and an inability to develop such an organization in a timely manner, or in coordination with regulatory or other developments, could inhibit potential sales and delay the successful adoption of MyndMove™.

We expect to face significant challenges as we manage and grow our sales and marketing infrastructure and work to retain the individuals who make up those networks. Newly hired sales representatives will require training and take time to achieve full productivity. If we fail to train new hires adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new hires will become as productive as may be necessary to maintain or increase our sales. In addition, if we are not able to recruit and retain a network of internal trainers, we may not be able to successfully train clinicians on the use of MyndMove™, which could inhibit new sales and harm our reputation. If we are unable to expand our sales, marketing and training capabilities, we may not be able to effectively commercialize MyndMove™, or enhance the strength of our brand, which could have a material adverse effect on our operating results.

Conflicts of Interest

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

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

with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Reputational Damage in Certain Circumstances

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.

Internal Controls over Financial Reporting

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

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Public Health Crises

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of our control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities, interest rates, credit ratings, credit risk and inflation.

On January 30, 2020, the World Health Organization declared the outbreak or COVID-19 a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020, the United States of America declared that the COVID-19 outbreak in the United States of America constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines, production delays, raw material shortages, supply chain issues and a general reduction in consumer activity in Canada, the United States of America, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions

to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect our workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit, as well as risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased raw materials, labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

The Company's business and operations have been and may continue to be adversely affected by the COVID-19 pandemic, including ongoing uncertainty with respect to the extent and duration of the pandemic, including as a result of the effect of the currently prevalent Omicron variant and the potential emergence of other variants of the virus in the future. The COVID-19 pandemic, in general, and the recent resurgence of the COVID-19 virus and the recent spread of new variants thereof and the possibility that a resurgence of the COVID-19 virus or the spread of such new or other variants or mutations thereof may occur in other areas has caused general business disruption worldwide. In response to the outbreak, governmental authorities in Canada and internationally, since early 2020, have introduced various recommendations and measures to try to limit the spread of the COVID-19 pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place and social distancing. While these effects are expected to be temporary, their duration and the related business disruptions and financial impact cannot be reasonably estimated at this time.

In March 2020, routine sales and marketing activities were temporarily suspended and the Company closed its physical offices. In April 2020, the Company developed a comprehensive COVID-19 Response Plan to guide the Company as it adapted to new operating conditions. Although the offices are not yet fully opened, essential activities continue to operate. In addition, recent global shortages of semiconductors resulting from the COVID-19 pandemic may disrupt the Company's manufacturing and supply chain (see "Risk Factors – Risks Relating to Our Reliance on Third Parties – Reliance On Our Manufacturer and Suppliers and Compliance with Quality Standards"). The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

Due to the economic hardships presented by the COVID-19 pandemic, we received a CEBA loan and benefits from the CEWS. In order to apply for the CEWS and CEBA loan, we were required to meet the eligibility requirements. If, despite our good-faith belief that we satisfied all eligible requirements for the CEWS and CEBA loan, it is later determined that we violated any of the laws or governmental regulations that apply to us in connection with the CEWS and CEBA loan or it is otherwise determined that we were ineligible to receive the CEWS or CEBA loan, we may be subject to penalties and may be required to repay the full CEWS or CEBA loan, as applicable. In addition to incurring significant financial and management resources, such a determination could result in adverse publicity and damage our reputation.

We continue to work with our stakeholders (including manufacturers, suppliers, customers, and employees) to address this global pandemic responsibly and in compliance with applicable law. Management continues to monitor the situation, to assess further possible implications to our business, employees and customers, and to take actions in an effort to mitigate adverse consequences. We cannot at this time predict the long-term impact of the COVID-19 pandemic, but it could have a sustained material adverse effect on our business, financial position, results of operations and/or cash flows. To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the rate at which agreements for new user sites will be entered into.

Moreover, to the extent the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, including but not limited to, those related to our ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities, develop, commercialize and market new product offerings, and maintain effective marketing, sales capabilities and avoid supply chain disruption.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom we do business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Risks Relating to the Common Shares

No Established Market, Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, once listed on the Exchange, to be delisted, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price of the Common Shares will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon,

among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Additional Regulatory Burden from Listing

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

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each person. Readers should seek independent advice from their own tax and legal advisers prior to assessing an investment in Common Shares of the Company.

PROMOTERS

Dr. Milos Popovic, a director and co-founder of the Company, is considered to be a promoter of the Company as he took initiative in founding and organizing the Company. As of the date of this Prospectus, Dr. Popovic beneficially owns, or controls or directs, directly or indirectly, a total of 2,322,286 Common Shares, representing 13.58% of the Company’s issued and outstanding Common Shares, on a non-diluted basis, as of the date hereof (i.e., 17,099,796 Common Shares).

Information about Dr. Popovic is disclosed elsewhere in the Prospectus in connection with his position as a director of the Company. See “Directors and Executive Officers” for further details.

Other than as disclosed elsewhere in the Prospectus, no person who was a promoter of the Company within the last two years has received anything of value directly or indirectly from the Company or a subsidiary, or sold or otherwise transferred any asset to the Company or a subsidiary within the last two years.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

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

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except: (i) with respect to Dr. Milos Popovic and Mr. Richard Widgren, as described within note 11 of the unaudited condensed interim consolidated financial statements for the period ended September 30, 2021, and (ii) with respect to LBB Applied Technology, LLC, which is an affiliate of one of our largest shareholders, Life Beyond Barriers, LLC with whom the Company entered into the LBB License Agreement in late 2021 and in respect of which the Company has not yet begun to realize revenues - see "Material Contracts – Sales Order Agreement and LBB License Agreement", within the three years before the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company: (a) any director or executive officer of the Company; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than ten percent (10%) of any class or series of the Company's outstanding voting securities; and (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS

The auditors of the Company are MNP LLP, having an address at 50 Burnhamthorpe Road West, Suite 900, Mississauga, Ontario L5B 3C2. Such firm is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Marrelli Trust Company Ltd. at its principal office at 620-1111 Melville St. Vancouver, BC V6E 3V6. Tel: (604) 200 5066 Email: info@marrellitrust.ca

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company or will be entered into prior to the Listing are the following:

- Subscription Receipt Agreement;

- UHN Master Collaboration Agreement;
- UHN License Agreement;
- Exclusive Distribution Agreement;
- Sales Order Agreement and LBB License Agreement
- FEDA Contribution Agreement; and
- Escrow Agreement.

Subscription Receipt Agreement

See “Description of Securities – Subscription Receipt Units”.

UHN Master Collaboration Agreement

On February 26, 2020, the Company entered into a master collaboration agreement with UHN (the "**UHN Master Collaboration Agreement**") pursuant to which the Company will sponsor, fund or collaborate with KITE for the research, development, testing and commercialization of MyndMove™. In connection with this agreement, UHN granted the Company an exclusive license under UHN’s rights in and to MyndMove™ technology under the UHN License Agreement, which is summarized below.

Under the terms of the UHN Master Collaboration Agreement, KITE and the Company will carry out the funded research program(s) ("**Funded Research Program**") which means one or more MyndMove™ technology research programs in any therapy that uses the surface application of electrical currents to activate excitable tissues in the body. The Funded Research Program will be performed by or under the direction of the principal investigator on behalf of KITE and with the Company project leader if and to the extent that collaboration with the Company is necessary. Clinical trials and investigational device studies in humans are excluded from the scope of any Funded Research Program. Subject to receipt by UHN of the payments under the Funded Research Program, KITE will deliver certain deliverables to the Company, including a final report within 60 days following the completion or earlier termination of the Funded Research Program. Unless expressly stated otherwise in the Work Plan of the Funded Research Program, the Company shall own the deliverables thereunder.

The Company granted to UHN a non-exclusive, perpetual, worldwide, royalty free right and license to use the deliverables solely for its internal research purposes and to seek or maintain intellectual property protection in respect of inventions solely conceived by KITE (the "**KITE Sole Project Inventions**") and/or inventions jointly conceived by KITE and Company arising from a Funded Research Program (the "**Joint Project Inventions**"). The KITE Sole Project Inventions will be solely owned by UHN and the Joint Project Inventions will be owned jointly by UHN and the Company. Inventions solely conceived by Company arising from a Funded Research Program will be solely owned by the Company. Each party will control and be responsible for the preparation, filing, prosecution and maintenance of domestic and foreign patent applications and patents for its respective project inventions. The Company shall control and be responsible for the preparation, filing, prosecution, and maintenance of domestic and foreign patent applications and patents directed to Joint Project Inventions provided that UHN will be consulted prior to the Company taking any action that will affect the scope or validity of any patent application or patents.

The term of the UHN Master Collaboration Agreement is five years from the effective date of the agreement, unless terminated earlier. Each party may terminate (i) for convenience upon giving the other party at least 90 days’ written notice, or (ii) upon mutual written agreement with the other party. In addition, each party may terminate the UHN Master Collaboration Agreement (i) if the other party is in material default of any provision of the agreement and does not remedy the default within 30 days after receipt of written notice of the default from the non-defaulting party, or (ii) if either party becomes insolvent or bankrupt, or in the event

an involuntary bankruptcy action is filed against such party and not dismissed within 60 days or if such party becomes the subject of liquidation or dissolution proceedings or otherwise discontinues business.

Upon the earlier termination of a Funded Research Program, the Company acknowledges and agrees that UHN shall be compensated for all activities carried out up to the date of termination, and be reimbursed for all reasonable expenses and un-cancellable commitments incurred as of the date of receipt or issuance of the notice of termination. The UHN Master Collaboration Agreement is also subject to customary confidentiality and indemnification provisions. As of July 2020, the Company and KITE (UHN) are collaborating on an active project focused on developing new hardware and software improvements for the treatment of paralysis in lower limb. Also referred to as "walking protocols", the work plans include the development of new features and benefits to be included in the current MyndMove™ product. The initial development work on these protocols has progressed on schedule and the work has transitioned to early clinical validation with healthy volunteers. The next phase of clinical validation is scheduled to be conducted on actual patients in Q1 2022, subject to restrictions imposed by the COVID-19 pandemic.

UHN License Agreement

The Company entered into an amended and restated UHN License Agreement dated as of March 18, 2020 with UHN which amends and restates that certain exclusive license agreement dated as of August 29, 2012 made between Simple Systems Inc. (the predecessor of the Company) and UHN (the "**Original License Agreement**"). Pursuant to the UHN License Agreement, the Company was granted an exclusive, worldwide, assignable, sub licensable license under UHN's rights in and to certain technology (the "**Technology**") in the Field (defined below), which refers to any therapy that uses the surface application of electrical currents to activate excitable tissues in the body (e.g. nerves, muscles) and includes therapies targeting neuromodulation, the treatment of motor dysfunction or neuronal repair/rehabilitation/retraining (the "**Field**"). The Technology licensed to the Company includes, among others, (i) the licensed patents which are patents and patent applications listed in Schedule A of the UHN License Agreement, improvements thereof as listed in Schedule B of the UHN License Agreement, UHN's sponsored research project IP as listed in Schedule C of the UHN License Agreement (collectively, the "**Licensed Patents**"), and (ii) product know-how in the Field which covers all inventions, data, results, information, trade secrets, ideas, concepts and expertise to the extent such intellectual property is controlled by UHN whether through ownership, by license or otherwise.

In consideration of all the rights granted to the Company by UHN, UHN has received 400,000 common shares in the capital of the Company at a per share price of $1.00 and agreed to execute and deliver a joinder to the shareholder agreement of the Company, pursuant to which UHN is bound by the terms of such shareholder agreement. The royalty payments made by the Company to UHN will be paid as follows: (a) zero percent (0%) on the first $1,000,000 of cumulative net revenues from the sale/lease or sublicense of the royalty product(s), (b) four percent (4%) on cumulative net revenues from the sale/lease or sublicense of the royalty products exceeding $1,000,000 but not greater than $7,500,000, and (c) one percent (1%) on cumulative net revenues from the sale/lease or sublicense of the royal products exceeding $7,500,000. The royalties from the Company to UHN will be paid on a semi-annual basis, will become due and payable within 45 days after each respective royalty due date and will be calculated based on the net sales in the six month period immediately preceding the applicable royalty due date.

The Company has assumed (at its sole cost and expense) all responsibilities in respect of the preparation, filing, prosecution, obtaining and maintenance of intellectual property rights in the Licensed Patents and the filing expenses thereof. If the Company elects to discontinue prosecution or maintenance of any particular patent in the Licensed Patents in a selected jurisdiction, the Company will give 30 days advance written notice to UHN of any decision to cease preparation, filing, registration, prosecution and maintenance of that Licensed Patent. The Company will promptly advise UHN in writing of any claims by a third party alleging infringement and of the commencement against it of any lawsuit for infringement of a patent owned by such third party and based on the commercialization of the Technology by the Company or any of its affiliates. The Company will be entitled to defend any such lawsuit at its own cost and will have control of such defense. UHN will assist the Company in the defense of such suit or action by providing information

and witnesses as needed and the Company will reimburse UHN for its reasonable out-of-pocket costs therefor.

The term of the UHN License Agreement commences upon the effective date of the Original License Agreement and will continue until the expiration of the last Licensed Patent. Either party will have the right to terminate the agreement upon the occurrence of (a) a material default by the other party that is not cured within 30 days following written notification from the terminating party, (b) the other party becoming insolvent or bankrupt and any involuntary proceeding that is not dismissed within 30 days after filing, (c) mutual agreement by both parties, (d) 30 days after UHN's notice to the Company indicating Company's failure to practice the Technology during its previous fiscal year and such failure is not remedied by the Company within 30 days after such notice, or (e) 90 days after Company's notice to UHN at any time for any reason.

Exclusive Distribution Agreement

On September 29, 2021, the Company entered the Exclusive Distribution Agreement with LBB pursuant to which the Company has appointed LBB as an exclusive distributor of the MyndMove™ device and ancillary hardware software, documentation, supplies and services necessary for the operation or use of each MyndMove™ device.

The Exclusive Distribution Agreement grants LBB the exclusive right to market and distribute the MyndMove™ device: 1) in the State of Michigan; 2) to all healthcare facilities operating in the State of Michigan; the Veterans Affairs Polytrauma Rehabilitation Centres and the Polytrauma Transitional Rehabilitation Centre Programs located in Palo Alto, California; San Antonio, Texas; Minneapolis, Minnesota; Richmond, Virginia; and Tampa, Florida; the Walter Reed National Military Medical Centre in Bethesda, Maryland; the Ascension Hospital System; and any additional hospital systems the parties may agree (the "**Exclusive Customers**"); and 3) other locations of Exclusive Customers and their affiliates.

LBB will propose its anticipated need for MyndMove™ devices in the following quarter to the Company via quarterly non-binding forecasts. The Company will use commercially reasonable efforts to fulfill LBB's orders for MyndMove™ devices, bearing costs for shipping, freight and transportation to LBB's facilities. LBB, as initial importer and distributor for the MyndMove™ device, is responsible as the importer of record and customs. The Company has no obligation to fulfil orders in a timely fashion if such orders exceed the forecast. The Exclusive Distribution Agreement does not set out a rigid process by which the Company must accept, or be deemed to accept, orders. Title of supplies passes to LBB upon delivery, but title to MyndMove™ devices remains with the Company at all times. The Company will prioritize filling LBB's orders that are in line with the forecast, prior to filling orders from other persons or itself. The Company will provide certain hosted, ancillary and (tier two) support services to Exclusive Customers, and will make available to LBB an appropriately trained and experienced Company technical representative. LBB will provide tier one support to Exclusive Customers. There is no "tier three" for support services. Invoices are payable within 45 days, though amounts reasonably disputed by LBB may be withheld. LBB is responsible for withholding taxes from any payment owing the Company and providing evidence of payment. The Company must use commercially reasonable efforts to scale production of MyndMove™ devices to meet the forecasts.

LBB must meet certain minimum performance targets related to the number of MyndMove™ devices leased to Exclusive Customers, and such MyndMove™ devices' corresponding usage and revenue generation. The Company will review the usage of each such MyndMove™ device and report to LBB on a monthly basis. Such reviews may be audited by LBB, and may result in adjustment payments. LBB also has various marketing and business-development responsibilities generally. Exclusive Customers must meet certain minimum usage targets. Exclusive Customers who fail to meet this target for two consecutive quarters must pay the Company the difference between the actual usage and the usage minimum, or return such number of MyndMove™ devices to the Company that would enable the Exclusive Customer to meet the usage minimum. The Company will supply LBB with service stock MyndMove™ devices to be used as replacement devices, as well as a number of demo MyndMove™ devices to be used by LBB sales agents for demonstration purposes and by Exclusive Customers for conducting trials. LBB may only submit orders

to the Company for Exclusive Customers that have already executed an Exclusive Customer Agreement with the Company.

LBB has a general obligation to assist the Company in regulatory compliance. However, LBB is responsible its own licenses, permits and other approvals of governmental authorities to permit it to fulfill its obligations under the Exclusive Distribution Agreement. LBB will comply will all medical device importing, reporting, and tracking requirements of the FDA. Each party is responsible for maintaining its own adequate insurance policies, and will name the other party as an additional insured.

The Company is responsible for regulatory approvals for the MyndMove™ devices, bearing sole responsibility for compliance with any regulatory requirements applicable to a manufacturer/licensor, including compliance with current good manufacturing practices, labeling and packaging requirements, and record-keeping regulatory requirements. The steering committee, comprising of two representatives from each party, will be tasked with determining matters that have yet to be fully resolved by the Exclusive Distribution Agreement, including FDA clearance applications for sitting, standing and walking treatment protocols, price adjustments, methods to replace/upgrade MyndMove™ devices for new treatment protocols, referrals from outside the exclusive territory, and target minimums. The Company will maintain a quality assurance unit independent from its production unit that will fulfill quality assurance and quality control responsibilities. For each MyndMove™ devices delivered to LBB under the Exclusive Distribution Agreement, the Company will provide LBB with a certificate of compliance in respect of such regulatory requirements. The Company will promptly replace non-conforming or defective MyndMove™ devices.

The Company has granted LBB a non-exclusive license to use the demo MyndMove™ devices for demonstration, marketing and replacement purposes and create derivative works of the marketing materials and documentation supplied by the Company for the MyndMove™ devices, provided that such derivative material is approved by, and assigned to, the Company. LBB will not acquire any ownership rights in or to any of the trademarks held by the Company in relation to the MyndMove™ devices. The Company will be responsible for filing, prosecuting and maintaining all patents related to the MyndMove™ device and LBB will cooperate with the Company in enforcing patents against infringers in the United States of America and in defending patent proceedings before the United States Patent and Trademark Office. Standard confidentiality obligations and warranties exist between both parties.

Parties are limited in their liabilities regarding special damages flowing from a breach of the Exclusive Distribution Agreement, excluding breaches of confidentiality or indemnification obligations. There is a mutual indemnification relating for a party of its representatives' gross negligence, wilful misconduct, misrepresentations, omissions, material breaches, failure to perform obligations, or personal injury / property damage.

The initial term of the Exclusive Distribution Agreement is two years and it will subsequently renew automatically in one-year renewal terms. If LBB meets its target minimums, the parties will meet prior to the end of the initial term to discuss expanding the territory for exclusivity or adding Exclusive Customers. The Exclusive Distribution Agreement may be terminated by the written mutual consent of the parties, by LBB for any or no reason on 90-day notice (such termination no longer requiring a mutually acceptable transition plan), by the Company if LBB fails to meet the minimum performance range targets (unless the Company is in breach of the Exclusive Distribution Agreement and the breach remains uncured after notice has been provided by LBB), or by any party if the other party: (i) commits a material breach and fails to cure it within 30 days of receiving notice of the breach; (ii) makes an assignment for the benefit of creditor, becomes subject to the direct control of a trustee, receiver or similar authority, or becomes subject to bankruptcy or insolvency proceedings; or (iii) fails to perform its obligations for a period exceeding six months due to a force majeure event.

Upon termination, the parties' obligations to support Exclusive Customers' use of the MyndMove™ devices distributed prior to the termination date will survive. Upon termination of the Exclusive Distribution Agreement, LBB will cease marketing and distributing the MyndMove™ device, will provide to the Company all business information (including business plans, strategies and practices) relating to the marketing and distribution of the MyndMove™ device, will assign to the Company all customer agreements, will return to

the Company all MyndMove™ devices, marketing materials, supplies, and all other documents relating to the business of the Company, and will provide the Company with a list of all its Exclusive Customers as well as potential customers and prospects, together with contact information and details regarding buying and payment history. Any and all balances owing by LBB to the Company will, upon termination, become immediately due and payable without further notice or demand.

If the Company will undergo a merger or consolidation with, or will sell (substantially) all its assets to, an unaffiliated third party (excluding reverse takeovers, IPOs, or other bona fide reorganizations), the Company has the option to purchase the business of LBB that is subject to this Exclusive Distribution Agreement at a purchase price determined pursuant to the Exclusive Distribution Agreement. LBB may not subcontract any of its responsibilities without prior written approval of the Company.

Sales Order Agreement and LBB License Agreement

In connection with the Exclusive Distribution Agreement, the parties have also agreed to the terms and conditions applicable to LBB's distribution activities and the Company has agreed to grant each customer who places a sales order with LBB a limited license to use the MyndMove™ device (the "**LBB License Agreement**").

Pursuant to the terms and conditions applicable to each sales order executed by LBB (each, a "**Sales Order Agreement**"), LBB's obligations to each customer include the delivery of MyndMove™ devices, the installation of MyndMove™ devices, the delivery of training and certification courses to customers and the provision of basic technical support services. Any technical issues that remain unresolved following the provision of basic technical support services by LBB will be escalated to the Company and will be addressed in accordance with the Exclusive Distribution Agreement and the LBB License Agreement.

Customers must meet certain requirements with respect to the site where the MyndMove™ devices will be installed. Among other things, customers are expected to have personnel on site during the installation, to inspect the MyndMove™ devices and their operation and to confirm that the MyndMove™ devices have been installed in accordance with LBB's applicable checklist. LBB will not enable the MyndMove™ devices for patient care until the customer's personnel and authorized users have competed the initial course of training in accordance with LBB's applicable training process.

The Company will review the usage of the MyndMove™ devices at each customers' site on a monthly basis, beginning the first month of the calendar quarter that is 12 months after the date of installation. If a customer fails to meet the usage minimums for a calendar quarter, the Company will notify LBB, who will work with the customer to evaluate whether the usage minimums are met by the beginning of the second full calendar quarter following LBB's notification. This would be considered a remediation period. If the customer does not meet the usage minimums by the end of the remediation period, the Company may, in its discretion, either by itself or through LBB, require the customer to pay the Company an amount equal to the difference between the actual usage and the usage minimums for all calendar quarters subsequent to the remediation period, or return to the Company the number of MyndMove™ devices as may be required to enable the customer to meet the usage minimums.

The Sales Order Agreement is for an initial term of one year and will afterwards renew automatically in one-year terms. The Sales Order Agreement may be terminated by providing notice of non-renewal at least 60 days prior to the end of the then current term. The Sales Order Agreement may be terminated with notice in the case of a material breach of the agreement by either party, or breach of the LBB License Agreement by the customer. Such termination notice will take effect on the 10th day (in the case of failure to make timely payments) or 13th day (in all other cases) following the breaching party's receipt of the notice, unless the breaching party cures its breach within the applicable period, except that if the breach is not capable of cure within such period, the termination notice will take effect immediately upon receipt by the breaching party.

Upon termination, the customer will immediately cease all use of the MyndMove™ devices, hosted services, data management services and applicable documentation, return the MyndMove™ devices to LBB and will

promptly pay LBB any and all unpaid amounts due and owing. Upon termination, LBB may cancel all pending orders and refuse to accept any future orders from the customer. The Sales Order Agreement is subject to indemnification and exclusion of liability provisions and requires customers to maintain commercial general liability insurance and medical malpractice insurance.

The LBB License Agreement is attached to the Sales Order Agreement. Pursuant to the LBB License Agreement, the Company agrees to grant each customer a limited, personal, nonexclusive, non-transferable license, with no right of sublicense or resale, to use the MyndMove™ devices supplied by LBB pursuant to the Sales Order Agreement. Customers may use the MyndMove™ device, hosted services, Data Management Services (as defined below) and applicable documentation (the "**MM System**") only in connection with the provision of rehabilitation treatment in accordance with applicable laws, including the requirements of the FDA. In connection with the customers' provision of treatments to patients, the MyndMove™ devices will function as a user interface through which customers will: access software protocols, store customer data on each MyndMove™ device for access and use by the customer, be connected to the Company's cloud-based platform for the storage, processing, synchronization and use of the data generated in the course of treatment of patients, as well as for the activation or deactivation and configuration of devices for limited time evaluation use, for the access and use of the downloadable protocols, for creating user accounts, and for tracking usage for billing purposes (collectively, "**Data Management Services**"). Customers are also subject to the same usage review and usage minimum provisions contained in the Sales Order Agreement.

Customers may use the MM System only for providing rehabilitation treatment as set out in the LBB License Agreement, and are prohibited from taking certain actions with respect to the MM System, including: (a) exporting any technical data furnished to them under the LBB License Agreement without prior written consent of the Company, except if done pursuant to obtaining the necessary export licenses from the appropriate authorities in the Canadian or United States' governments; (b) using the MM System, or allowing access to it, in a manner that circumvents contractual usage restrictions or usage tracking, or that exceeds the customer's authorized use set out in the LBB License Agreement and the Sales Order Agreement; (c) licensing, sub-licensing, selling, reselling, renting, transferring, distributing, timesharing, or otherwise making any portion of the MM System available for access by third parties; (d) unless, and then only to the extent expressly permitted by applicable law, modifying, copying, decompiling, disassembling, reverse engineering or otherwise attempting to derive source code or other trade secrets without the Company's consent; (e) removing, altering or obscuring any product identification, trademark, copyright, confidentiality, proprietary or other notices or legends contained on or within the MM System; (f) accessing or using the MM System for the purpose of developing or operating products or services intended to be offered to third parties in competition with the MM System, or allowing access to the MM System by a direct competitor of the Company; (g) using the MM System to create, use, send, store, or run viruses or other harmful computer code, files, scripts, agents or other programs, or circumvent or disclose the user authentication or security of the MM System or any host, network, or account related thereto or use any aspect of the MM System other than those specifically identified in a sales order, even if technically possible; or (h) failing to use commercially reasonable efforts to not interfere with or disrupt the integrity, operation or performance of the MM System or interfere with the use or enjoyment of it by others.

The Company has the right to suspend the use of the MM System if it reasonably and in good faith believes that the customer has materially violated any portion of the LBB License Agreement. Prior to any suspension, the Company will use commercially reasonable efforts to provide notice to the customer of the intention to suspend the use of the MM system, unless the Company reasonably believes that: (a) applicable law or legal process prevents it from providing such notice; or (b) delaying such notice is necessary to prevent imminent harm to a third party or the MM System.

LBB will provide basic remote technical support for the MyndMove™ devices pursuant to the Sales Order Agreement. To address any unresolved technical issues, LBB may coordinate the return and delivery of a replacement MyndMove™ device in accordance with the Sales Order Agreement, if required, and the Company will provide the required technical support to address the unresolved technical issues that have been escalated to it by LBB in accordance with the terms of the Sales Order Agreement. The Company will follow the process set out in the LBB License Agreement with respect to any software updates.

The MM System will remain the property of the Company at all times. Customers will not acquire any ownership, title or other property rights in the MM System. Customers assign to the Company their title, right and interest in any and to any intellectual property right which are newly created, discovered, or invented by the customer during the course of the Company performance of the Data Management Services or the customer's use of the MM System, which intellectual property will remain the property of the Company. The Company will also have intellectual property rights in any improvements made to the MM System based on feedback from customers.

The Company represents, warrants and covenants to the customer, among other things, that during the term of the LBB License Agreement, the MM System will, when used as authorized under the LBB License Agreement, operate and conform to the performance capabilities, functions, specifications, and other relevant descriptions and standards set forth in the applicable documentation and in the LBB License Agreement; that the MyndMove™ devices will be free from material defects; that the MM System conforms to all applicable federal and state laws, including with occupational health and safety standards; and that the MM System and the customer's receipt and use thereof, when used as authorized under the LBB License Agreement, do not and will not infringe, misappropriate, or otherwise violate any intellectual property right of any third party. Certain other representations and warranties are specifically disclaimed by the Company.

The LBB License Agreement is also subject to limitation of liability and indemnification provisions and contains certain data protection and confidentiality provisions.

The LBB Licence Agreement becomes effective and terminates at the same time as the Sales Order Agreement. Certain provisions of the LBB License Agreement will survive the expiration or termination of the LBB License Agreement.

FEDA Contribution Agreement

In June 2013, the Company entered into a low-interest bearing loan agreement with FEDA, whereby FEDA agreed to lend a maximum amount of $950,000 for eligible costs incurred during the period from September 28, 2012 to March 31, 2014 (the "**Contribution Agreement**"). Under the Contribution Agreement, the Company borrowed $919,518. As at February 1, 2022 the Company has a balance outstanding of $457,242.

Upon the occurrence of an event of default, FEDA may: (i) terminate the Contribution Agreement, including any obligation by FEDA to make any payment under the Contribution Agreement for any amount owing prior to the termination, (ii) suspend any obligation by FEDA to make any payment under the Contribution Agreement for an amount owing prior to such suspension and (iii) require the Company to repay FEDA all or part of the borrowed amount.

Some of the events of default under the Contribution Agreement include, but are not limited to: (i) the Company failing or neglecting to pay FEDA any amount due under the Contribution Agreement, (ii) the work contemplated by the statement of work is not completed to FEDA's satisfaction by the completion date, (iii) the Company becoming bankrupt or insolvent, going into receivership, or taking the benefit of any statute relating to bankrupt or insolvent debtors, (iv) an order being made or the Company passing a resolution for the winding up of the Company or the Company being dissolved, or (iv) the Company, in the opinion of FEDA, ceasing to carry on business or selling all or substantially all of its assets.

The Contribution Agreement has been amended to modify the repayment schedule, and pursuant to most recent amendment thereto, FEDA has agreed to reduce the amount owing for 2022 to reduce the burden on the Company's cash flow, with larger payments to resume in 2023. This revision is reflected in the Company's "Use of Available Funds" estimate.

Escrow Agreement

See "Escrowed Securities and Securities Subject to Contractual Restriction on Transfer".

EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- **AUDITORS** MNP LLP, is the external auditor of the Company and reported on the Company's IFRS audited financial statements for the years ended December 31, 2021 and 2019 and for the nine month period ended September 30, 2021 and 2020, attached as Schedule "A", together with the management's discussion and analysis thereto.

To the knowledge of management of the Company, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company or of an associate or affiliate of the Company, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than one percent (1%) of the outstanding securities of the Company and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate of the Company.

REGULATORY RELIEF

The Company has applied for exemptive relief from the requirements contained in subsection 2.3(1.1) of NI 41-101 which prohibits an issuer from filing a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the final prospectus. The exemption requested will be evidenced by the issuance of a receipt for this Prospectus. In the course of seeking exemptive relief, the Company has agreed to file the Prospectus no later than February 28, 2022.

OTHER MATERIAL FACTS

There are no material facts about the Company that are not otherwise disclosed in this Prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

The Company has granted to each Subscription Receiptholder a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that in the event a Subscription Receiptholder acquires Common Shares and Warrants underlying the Subscription Receipt Units upon the satisfaction of the Release Condition and is, or becomes, entitled under applicable securities legislation to the remedy of rescission by reason of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the Subscription Receiptholder is entitled to rescission with respect to not only the conversion of the Subscription Receipt Units but also to the purchase of the Subscription Receipts, (b) the Subscription Receiptholder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition

of the Subscription Receipts, and (c) if the Subscription Receiptholder is a permitted assignee of the interest of the original Subscription Receiptholder, such Subscription Receiptholder is entitled to exercise the rights of rescission and refund as if the Subscription Receiptholder was the original holder thereof.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in such provinces. The purchaser should refer to the applicable provisions of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

FINANCIAL STATEMENTS

Audited financial statements of the Company as at and for the years ended December 31, 2020 and 2019 are included in this Prospectus as Schedule "A", together with the management's discussion and analysis thereto.

Unaudited financial statements of the Company as at and for the nine month period ended September 30, 2021 and 2020 are included in this Prospectus as Schedule "A", together with the management's discussion and analysis thereto.

SCHEDULE "A"
FINANCIAL STATEMENTS OF MYNDTEC INC. AND MANAGEMENT'S DISCUSSION AND ANALYSIS

See attached.

MyndTec Inc.

Consolidated Financial Statements
December 31, 2020

Independent Auditor's Report

To the Shareholders of MyndTec Inc.:

We have audited the consolidated financial statements of MyndTec Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020, December 31, 2019 and January 1, 2019, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2020 and December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020, December 31, 2019 and January 1, 2019, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2020 and December 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises Management's Discussionand Analysis.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated FinancialStatements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
February 11, 2022

MNP

MyndTec Inc.
Consolidated Statements of Financial Position
As at December 31, 2020, December 31, 2019 and January 1, 2019

	December 31 2020	December 31 2019	January 1 2019 (note 24)
Assets			
Current assets			
Cash	**$ 668,580**	$ 416,107	$ 341,583
Trade and other receivables (note 4 and 12)	**168,539**	328,408	349,946
Inventories (note 5)	**323,566**	305,116	76,097
Prepaid expenses and deposits (note 25)	**180,260**	37,805	77,398
	1,340,945	1,087,436	845,024
Non-current assets			
Right-of-use asset (note 6)	**28,300**	77,157	-
Equipment (note 7)	**285,346**	333,661	306,046
Total Assets	**$ 1,654,591**	$ 1,498,254	$ 1,151,070
Liabilities			
Current liabilities			
Trade and other payables (note 12)	**$ 643,912**	$ 753,461	$ 427,405
Promissory note (note 12)	**-**	-	151,677
Deferred revenue (note 8 and 12)	**220,520**	-	139,159
Current portion of long-term liabilities (note 9)	**188,054**	168,576	3,968,700
	1,052,486	922,037	4,686,941
Long-term liabilities, net of current portion			
Lease obligations (note 6)	**-**	32,450	-
Government loans (note 10)	**649,008**	703,563	582,010
Convertible debentures (note 11 and 12)	**1,060,382**	-	-
Derivative and warrant liabilities (note 11)	**343,697**	366,732	840,473
Deposits for future share financings (note 12 and 25)	**375,000**	-	-
Total Liabilities	**3,480,573**	2,024,782	6,109,424
Shareholders' deficiency			
Share capital (note 13)	**10,085,283**	9,961,882	3,887,468
Contributed surplus	**862,873**	791,230	585,454
Deficit	**(12,774,138)**	(11,279,640)	(9,431,276)
Total deficiency	**(1,825,982)**	(526,528)	(4,958,354)
Total Liabilities and Shareholders' deficiency	**$ 1,654,591**	$ 1,498,254	$ 1,151,070

Commitments and contingencies (note 20)

Subsequent events (note 25)

"Craig Leon" Director

"Carlo Pannella" Director

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

MyndTec Inc.
Consolidated Statements of Operations and Comprehensive Loss
For the years ended December 31, 2020 and 2019

	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue (note 12 and 23)	**$ 162,634**	$ 311,447
Cost of sales	**95,590**	202,424
Gross Margin	**67,044**	109,023
Expenses		
General and administration (note 14)	**1,104,795**	926,865
Research and development (note 12 and 14)	**556,624**	519,660
Quality and regulatory assurance	**49,266**	90,244
Selling and marketing	**291,823**	352,556
Share-based compensation (note 13)	**95,044**	205,776
Interest and accretion expense (note 12 and 16)	**228,292**	288,057
Depreciation and amortization (note 6 and 7)	**120,225**	119,247
Clinical trial (note 18)	**(15,966)**	86,061
Changes in fair value (note 16)	**(433,986)**	(399,166)
Government grants and tax credits (note 17)	**(434,575)**	(231,913)
Total operating expenses	**1,561,542**	1,957,387
Net loss and comprehensive loss	**$(1,494,498)**	$ (1,848,364)
Loss per share - basic	**$ (0.10)**	$ (0.13)
Weighted average number of common shares outstanding - basic	**15,720,140**	**14,254,398**

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

MyndTec Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
For the years ended December 31, 2020 and 2019

	Share Capital	Contributed Surplus	Deficit (note 24)	Total (note 24)
Balance, January 1, 2019	**$ 3,887,468**	**$ 585,454**	**$ (9,431,276)**	**$ (4,958,354)**
Net loss and comprehensive loss	-	-	(1,848,364)	(1,848,364)
Share-based compensation (note 13)	-	205,776	-	205,776
Conversion of convertible	-	-	-	-
debentures (note 11)	4,425,322	-	-	4,425,322
Common share financing (note 13)	1,649,092	-	-	1,649,092
Balance, December 31, 2019	**9,961,882**	**791,230**	**(11,279,640)**	**(526,528)**
Net loss and comprehensive loss	-	-	(1,494,498)	(1,494,498)
Share-based compensation (note 13)	-	95,044	-	95,044
Exercise of warrants (note 13)	123,401	(23,401)	-	100,000
Balance, December 31, 2020	**$ 10,085,283**	**$ 862,873**	**$ (12,774,138)**	**$ (1,825,982)**

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

MyndTec Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows provided by operating activities		
Net loss and comprehensive loss	**$(1,494,498)**	$(1,848,364)
Items not affecting cash		
Share-based compensation	**95,044**	205,776
Depreciation and amortization (note 6 and 7)	**120,225**	119,247
Interest accretion (note 16)	**228,058**	289,863
Changes in fair value (note 16)	**(433,986)**	(399,166)
Government grant on Federal CEBA loan (note 17)	**(16,265)**	-
	(1,501,422)	(1,632,644)
Changes in non-cash working capital items		
Trade and other receivables	**159,869**	21,538
Inventories	**(22,100)**	(229,019)
Prepaid expenses and deposits	**(142,455)**	30,214
Trade and other payables	**(109,549)**	326,056
Deferred revenue	**220,520**	(139,159)
Cash flows provided by operating activities	**(1,395,137)**	(1,623,014)
Cash flows used in investing activities		
Purchase of equipment (note 7)	**(19,403)**	(102,276)
	(19,403)	(102,276)
Financing activities		
Lease payments (note 6)	**(57,987)**	(40,932)
Receipt of government loan	**40,000**	-
Repayment of government loans (note 10)	**(40,000)**	(182,718)
Issuance of convertible debentures	**1,250,000**	-
Promissory note	**-**	(151,677)
Deposits for future share financings	**375,000**	-
Issuance of share capital	**100,000**	2,240,491
Share issue costs	**-**	(65,350)
	1,667,013	1,799,814
Increase in cash	**252,473**	74,524
Cash , beginning of year	**416,107**	341,583
Cash, end of year	**$ 668,580**	$ 416,107
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

The accompanying notes are an integral part of these consolidated financial statement

1 Nature of business

MyndTec Inc. (the "Company" or "MyndTec") is a medical technology company that researches, develops and distributes innovative therapies designed to improve function, maximize independence and enhance the quality of life for individuals with paralysis due to stroke or spinal cord injury. The Company was incorporated under the Business Corporations Act of Ontario and its head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9.

COVID-19 pandemic

The global outbreak of the COVID-19 pandemic continues to be a threat to the global economy. The extent to which the COVID-19 pandemic may continue to impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of theoutbreak, travel restrictions and social distancing in Canada, the United States and other countries; business closures or business disruptions; and the effectiveness of actions taken by governments around the globe to contain and treat the disease. The measures taken to date have caused material disruptions to businesses globally, resulting in an economic slowdown.

From an operational perspective, the Company's employees and distribution partners, as well as the workforce of vendors, services providers and counterparties with which the Company does business, may also be adversely affected by the COVID-19 pandemic or efforts to mitigate the pandemic, including government-mandated shutdowns, requests or orders for employees to work remotely and other physical distancing measures, which could result in an adverse impact on the Company's ability to conduct its businesses, including its ability to cultivate adoption of the Company's technology.

To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the rate at which agreements for new user sites will be entered into. Despite the COVID-19 pandemic, treatment sessions are continuing and the Company continues to identify potential new user sites. The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

The Company received various government grants during the year related to the COVID-19 pandemic (note 17).

2 Basis of presentation

These are the Company's first consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 – "First Time Adoption of IFRS". The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the years ended December 31, 2020 and 2019.

In preparing its opening IFRS consolidated statement of financial position, the Company has adjusted amounts reported previously in the consolidated financial statements prepared in accordance with its old basis of accounting, CPA Canada Handbook Part II – Accounting Standards for Private Enterprises ("ASPE"). An explanation of how the transition from ASPE to IFRS has affected the Company's financial position, financial performance and cash flows is set out in note 24.

Statement of compliance

These consolidated financial statements have been prepared by Management in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on February 11, 2022.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, MyndTec US Inc. which was incorporated by the Company in the United States on October 10, 2018.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies, and the subsidiary is fully consolidated from its date of formation. All intercompany balances, transactions and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

2 Basis of presentation (continued)

Functional currency and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD dollars"). The Company's functional currency is CAD dollars and the functional currency of the Company's wholly owned subsidiary is the United States dollar.

Use of estimates and judgements

The preparation of these 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 and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- ***Going concern***
  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which might cast significant doubt on the Company's ability to continue as a going concern is required in the notes to the consolidated financial statements. In management's judgement, such disclosure is not required. This judgement is dependent on management's expectation of revenue, future net cash flows for the year ended December 31, 2021, existing working capital and subsequent financing transactions (Note 25).

  During the year ended December 31, 2020, the Company had a net loss from operations and negative cash flows from operating activities. To the extent that the Company has negative operating cash flows in future periods, the Company may need to deploy a portion of its existing working capital and funds raised through subsequent financing transactions to fund such negative cash flow. Based on management's expectations of revenue, future net cash flows for the year ended December 31, 2021, subsequent financing transactions and financial obligations due within the next 12 months, management has applied judgement in determining that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

- ***Trade and other receivables***
  The recognition of trade and other receivables and loss allowances requires the Company to assess credit risk and collectability. The Company considers historical trends and available information indicating a customer could be experiencing liquidity or going concern problems and the status of any contractual or legal disputes with customers in performing this assessment.

  The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses ("ECLs") resulting from all possible default events over the assets' contractual lifetime. The Company has established an allowance for ECLs that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This rate is then adjusted based on management judgment to account for current economic conditions, counterparty's present financial condition and the term to maturity of the specified receivable balance. Actual credit loss may significantly differ from this estimate of provision.

  Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof. The Company's expected credit loss provision was insignificant as at December 31, 2020 and 2019 and January 1, 2019.

- ***Leases***
  Values of right-of-use assets and lease liabilities require judgment in determining lease terms such as extension options and the incremental borrowing rate applied. The Company estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. Renewal options are only included if management is reasonably certain that the option will be renewed.

2 Basis of presentation (continued)

Use of estimates and judgements (continued)

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Cox-Rubenstein Binomial model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Convertible debentures and embedded derivative***
  Convertible debentures are compound financial instruments which are accounted for separately by their components: liabilities, equity and warrants. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment by management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest or liability component. The determination of the fair value of the liability is also based on a number of assumptions including contractual future cash flows, discount rates, and presence of liabilities. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determining the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

- ***Income taxes***
  The Company computes an income tax provision in each of the tax jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. To the extent that estimates of future taxable income differ from the tax return, earnings would be affected in a subsequent period.

  In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3 Summary of significant accounting policies

Revenue recognition

The Company recognizes revenue on the transfer of promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services by applying the following steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations; and,
- recognize revenue when, or as, the Company satisfies a performance obligation.

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Company derives treatment revenue based upon the use of the Company's MyndMove devices by treatment clinics; as well as the sale of its products and supplies to research institutions and treatment clinics. Treatment revenue is recognized on a monthly basis as services are provided. The sale of its products and supplies is recognized when delivered to the customer and all performance obligations have been satisfied.

The Company recognizes revenue upon transfer of control of products or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the products or services transferred. The Company evaluates contracts with customers to determine the appropriate performance obligations for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

The Company determines the transaction price at the outset of each arrangement and the total consideration is allocated to the distinct performance obligations based on their relative fair value. The Company has determined that the recurring services promised in a contract with a customer represent a series of distinct services that are substantially the same and have the same pattern of transfer over time to the customer and each delivery of service is accounted for as a single distinct performance obligation.

The timing of revenue recognition and the contractual payment schedules often differ, resulting in some contractual payments being billed prior to the commencement of service. These amounts that are billed, but not earned, are recognized as deferred revenue in the consolidated statements of financial position. When products or services have been transferred to customers and revenue has been recognized, but not billed, the Company recognizes and includes these amounts as unbilled trade receivables in the consolidated statements of financial position.

The Company has elected to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

Deferred revenue

Deferred revenue relates to revenues which have been paid for by customers prior to the performance of those services. This balance is recognized as the services are performed. The Company classifies deferred revenue relating to services to be provided in the next twelve months as current and deferred revenue relating to services to be provided beyond twelve months as non-current.

Cash

Cash includes cash and short-term deposits with major financial institutions that are highly liquid with a maturity date of less than three months.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in,first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3 Summary of significant accounting policies (continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use ("ROU") asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU assets are depreciated to the earlier of the end of useful life of the ROU asset or the lease term using the straight-line method as this most closely reflects the expected pattern of the consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the ROU asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation. The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease obligation is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from the change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease obligation is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, unless it has been reduced to zero.

The Company has elected to apply the practical expedient to not recognize ROU assets and lease obligations for short-term leases that have a lease term of twelve months or less and for leases of low value assets. The lease payments associated with those leases are recognized as an expense on a straight-line basis over the lease term.

Equipment

Equipment are recorded at cost less accumulated depreciation and impairment losses. The cost of an item of property and equipment includes expenditures that are directly attributable to the acquisition thereof. Depreciation is calculated on a straight-line basis with an expectation of the following useful life estimates:

Computer equipment	4 years
Computer software	5 years
Other equipment	7 years
MyndMove devices	10 years
Tooling	7 years

The Company assesses an asset's residual value, useful life and depreciation method on an annual basis and if any events indicate a change, then adjustments are made as required.

Intangible assets

Expenditures on internally generated intangible assets are recognized as an expense in the period in which they are incurred unless an internally generated intangible asset arising from development has demonstrated all of the following:

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

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

The Company has not capitalized any development costs to date, because a commercial value for the technology has not yet been demonstrated.

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each consolidated 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 recoverable amount of an asset or a cash generating unit is the higher of its fair value, less cost 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.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) (a) as a result of a past event; (b) when it is more probable than not an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) when a reliable estimate can be made of the amount of the obligation.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the combined and consolidated statements of operations and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' deficiency, in which case the income tax is also recognized directly in shareholders' and members' equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined and consolidated financial statements. Deferred income tax is determined on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated by dividing the net income (loss) of the Company by the weighted average number of shares outstanding adjusted for all potentially dilutive equity instruments, as applicable. As at December 31, 2020 and 2019, all the Company's convertible instrument are anti-dilutive.

3 Summary of significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (''FVOCI''), or fair value through profit and loss (''FVTPL''). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  A financial asset is measured at amortized cost if it is not designated as at FVTPL; it is held within a business model whose objective is to hold assets to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

  The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

  The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

- ***Financial liabilities***

  The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument.

  The Company classifies its financial liabilities as either financial liabilities at FVTPL or amortized cost.

  Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in profit or loss.

  The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

3 Summary of significant accounting policies (continued)

- ***Financial liabilities and equity instruments***

  - Classification as debt or equity
    Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
  - Equity instruments
    An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue cost.

  Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- ***Classification of financial instruments***

  The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics and management intent as outlined below:

  Classifications

Cash	Amortized cost
Trade and other receivables, excluding HST	Amortized cost
Trade and other payables, excluding HST	Amortized cost
Promissory note	Amortized cost
Derivative and warrant liabilities	FVTPL
Lease obligations	Amortized cost
Convertible debentures	Amortized cost
FEDA and CEBA Government loans	Amortized cost
HTC Government loan	FVTPL

- ***Impairment of financial assets***

  An expected credit loss ("ECL") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Government grants and loans

Grants from the government are recognized at their fair value where there is reasonable assurance that a grant will be received, and the Company will comply with all related conditions.

Loans received from government entities are recognized initially at fair value with the difference between the fair value of the loan and the amount received being recognized immediately in the consolidated statements of operations and comprehensive loss.

Research and development costs

Research costs are charged to expenses as incurred. Development costs are deferred and amortized when the criteria for deferral are met, otherwise they are expensed as incurred. No development costs have been deferred to date.

Investment tax credits (ITCs)

ITCs are recorded when the qualifying expenditures are made and the ITCs have been received.

3 Summary of significant accounting policies (continued)

Foreign currency translation

Transactions denominated in foreign currencies have been translated into Canadian dollars at the average rate of exchange prevailing at the time of the respective transactions. Monetary assets and liabilities have been translated into Canadian dollars at the year-end foreign currency exchange rate. Non-monetary assets and liabilities are translated at historical foreign currency exchange rates. All foreign exchange gains and losses are included in the consolidated statements of operations and comprehensive loss.

Share-based payments

Stock option expense is recognized over the vesting periods of the respective options, if any, which is the period over which all of the specified vesting conditions are satisfied, creating a corresponding increase in contributed surplus.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based payments to non-employees are measured at fair value of services provided, measured on the service date and recorded over the service period. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

New Standards adopted during the year

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's consolidated financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

4 Trade and other receivables

The following aging of trade and other receivables as at December 31, 2020, December 31, 2019 and January 1, 2019:

	December 31 2020	December 31 2019	January 1 2019
Trade receivables			
0 - 30 days	$ 163,873	$ 177,265	$ 140,063
60-90 days	3,762	4,939	77,613
Over 90 days	904	132,230	96,192
	168,539	314,434	313,868
Other receivables	-	-	29,778
Commodity taxes	-	13,974	6,300
	$ 168,539	$ 328,408	$ 349,946

5 Inventories

	December 31 2020	December 31 2019	January 1 2019
Production parts and clinical supplies	$ 120,517	$ 92,760	$ 37,169
Finished devices	203,049	212,356	38,928
	$ 323,566	$ 305,116	$ 76,097

During the year ended December 31, 2020, inventory of $42,063 was recorded to cost of goods sold (2019 - $20,881). During the year ended December 31, 2020, the Company recognized $nil write down of inventory (2019 - $nil).

6 Right-of-use asset and lease obligations

Right-of-use asset

	December 31 2020	December 31 2019
Costs		
Balance, beginning of year	$ 121,743	$ -
Adoption of IFRS 16	-	121,743
Balance, end of year	121,743	121,743
Accumulated depreciation		
Balance, beginning of year	44,586	-
Depreciation	48,857	44,586
Balance, end of year	93,443	44,586
Net balance, end of year	$ 28,300	$ 77,157

Lease obligations

	December 31 2020	December 31 2019
Balance, beginning of year	$ 82,803	$ -
Adoption of IFRS 16	-	112,364
Interest expense (note 16)	7,634	11,371
Lease payments	(57,987)	(40,932)
Balance, end of year	$ 32,450	$ 82,803
Less current portion (note 9)	32,450	50,353
Long-term portion	$ -	$ 32,450

The Company's ROU asset and lease obligations relate to the Company's office premise which is leased through July 2021. The Company adopted IFRS 16 on January 1, 2019 and utilized an incremental borrowing rate of 13.5%. Variable lease payments for the year ended December 31, 2020 were $52,060 (2019 – $64,845), recognized in general and administrative expenses in the consolidated statements of operations and comprehensive loss for the year.

7 Equipment

Net Book Value	Computers Software and Equipment	Tooling	Treatment Devices	Total
Balance, January 1, 2019	$ 34,374	$ 24,547	$ 247,125	$ 306,046
Acquisitions during period	17,518	84,758	-	102,276
Amortization during period	14,862	22,419	37,380	74,661
Balance, December 31, 2019	37,030	86,886	209,745	333,661
Acquisitions during period	2,060	-	20,993	23,053
Amortization during period	12,649	20,290	38,429	71,368
Balance, December 31, 2020	$ 26,441	$ 66,596	$ 192,309	$ 285,346
Assets Retired				
Year ended in December 20	$ 12,098		$ -	$ 12,098
Year ended in December 20	$ 46,133	$ -	$ -	$ 46,133
As at December 31, 2018				
At Cost	$ 90,277	$ 114,550	$ 373,799	$ 578,626
Accumulated amortization	55,903	90,003	126,674	272,580
Net book value	$ 34,374	$ 24,547	$ 247,125	$ 306,046
As at December 31, 2019				
At Cost	$ 95,697	$ 199,308	$ 373,799	$ 668,804
Accumulated amortization	58,667	112,422	164,054	335,143
Net book value	$ 37,030	$ 86,886	$ 209,745	$ 333,661
As at December 31, 2020				
At Cost	$ 51,624	$ 199,308	$ 394,792	$ 645,724
Accumulated amortization	25,183	132,712	202,483	360,378
Net book value	$ 26,441	$ 66,596	$ 192,309	$ 285,346

8 Deferred revenue

	December 31 2020	December 31 2019	January 1 2019
Balance, beginning of year	$ -	$ 139,159	
Payments received	220,520	-	
Recognition of revenue for completed obligations	-	(139,159)	
Balance, end of year	$ 220,520	$ -	$ 139,159
End of year balance by category			
Prepaid treatment income	$ -	$ -	$ 9,490
Deposits for delivery of MyndMove devices	220,520	-	129,669
	$ 220,520	$ -	$ 139,159

The deposits for delivery of MyndMove devices relates to contracts to re-engineer, manufacture and deliver modified devices to research facilities. The deferred revenue outstanding as at December 31, 2020 is expected to be fully recognized within the next twelve-month period.

9 Current portion of long-term liabilities

	December 31 2020	December 31 2019	January 1 2019
Lease obligations (note 7)	$ 32,450	$ 50,353	$ -
Federal Economic Development Agency (note 10)	110,000	90,000	165,000
Health Technology Exchange (note 10)	45,604	28,223	12,768
Convertible debentures (note 11)	-	-	3,790,932
	$ 188,054	$ 168,576	$ 3,968,700

10 Government loans

	December 31 2020	December 31 2019	January 1 2019
Federal Economic Development Agency (FEDA)	$ 433,188	$ 479,921	$ 534,922
Health Technology Exchange (HTE)	346,399	341,865	224,856
Federal CEBA	25,025	-	-
	804,612	821,786	759,778
Less current portion	155,604	118,223	177,768
Long term portion	$ 649,008	$ 703,563	$ 582,010

Federal Economic Development Agency of Southern Ontario (FEDA) loan

The FEDA loan is unsecured, non-interest bearing and provided initial financing of $919,518. As at December 31, 2020, the principal balance outstanding of this loan is $577,242 (2019 – $617,242). On June 1, 2020, the payment terms for this loan were amended. Based on the amended repayment terms, the remaining principal balance is repayable as follows:

FEDA Remaining Principal	
2021	$ 110,000
2022	240,000
2023	227,242
	$ 577,242

The Company received the loan in tranches based on qualifying expenditures incurred. The Company determined the fair value of the loan based on the estimated future cash flows of the loan using a discount rate of 19.2%. During the year, the Company recognized $73,554 (2019 – $114,322) of interest and accretion expense on this loan.

The payment terms of the loan were amended on February 19, 2020 and June 1, 2020; in both instances extending the term of repayment. On the amendment date, the loan was revalued using an effective interest rate of 20.1% and 19.2% as at February 19, 2020 and June 1, 2020, respectively. As a result, the Company recognized a gain on debt modification in the amount of $80,287 which is included in interest and accretion expense in the consolidated statements of operations and comprehensive loss.

During the year ended December 31, 2020, the Company made repayments of $40,000 (2019 - $165,000). Subsequent to year end, the repayment terms were modified (Note 25).

Health Technology Exchange (HTE) loan

The Health Technology Exchange loan is unsecured, bears interest at 3.1% per annum, is repayable based on 10% of certain preceding year gross revenue and provided initial financing of $749,600. As at December 31, 2020, the principal balance outstanding on this loan is $749,600 (2019 – $749,600), compared to the actual principal and interest payable as at December 31, 2020 of $816,737 (2019 - $785,775). The amount of the loan payable in the following year is $45,604 (2019, $29,406 and 2018, $13,395). During the year ended December 31, 2020 the Company made a repayment of $nil (2019 – $13,395) and the Company recognized $30,962 (2019 – $23,238) of accretion expense on this loan.

10 Government loans (continued)

Health Technology Exchange (HTE) loan (continued)

The Company values the HTE loan at fair value at the end of each quarter, based on the estimated future cash flows of the loan using a discount rate of 20.0% and revenue growth rates between 10% and 30%. The fair value of this loan is determined to be $346,399 as at December 31, 2020 (2019 - $341,865), which resulted in the Company recording income of $26,428 included in change in fair value on the consolidated statements of comprehensive loss ($2019 – an expense of $107,116).

Federal Canadian Emergency Business Account (CEBA) loan

The Federal CEBA loan is part of the Canadian federal government's support program in response to the COVID-19 pandemic, wherein the Company was able to obtain a $40,000 non-interest bearing loan due on or before December 31, 2022. If the Company fully repays the loan by the due date, $10,000 of the loan will be forgiven.

The Company determined the fair value of the loan based on the estimated future cash flows of the loan using a discount rate of 18.8%, which resulted in the Company recording income of $16,265 included in government grants and tax credits on the consolidated statements of operations and comprehensive loss during the year ($2019 - $nil). During the year, the Company recognized $1,290 (2019 – $nil) of accretion expense on this loan.

A reconciliation of the government loans is as follows:

	Year Ended December 31 2020	Year Ended December 31 2019	January 1 2019
Balance - beginning of year	$ 821,786	$ 759,778	
Fair value of new Federal CEBA loan	23,735	$ -	
Loan payments	(40,000)	(182,718)	
Accretion expense (note 16)	105,806	137,560	
Fair value adjustment of government loans	(106,715)	107,166	
Balance - end of year	804,612	821,786	$ 759,778
Less current portion	155,604	118,223	177,768
Long term portion	$ 649,008	$ 703,563	$ 582,010

11 Convertible debentures

A summary of the movement in convertible debentures is as follows:

	Year Ended December 31 2020	Year Ended December 31 2019	Year Ended January 1 2019
Balance - beginning of year	$ -	$ 3,790,932	
Fair value of issuance proceeds (note 12)	1,250,000	-	
Embedded derivative	(304,236)	-	
Accretion expense (note 16)	114,618	64,706	
Conversion of convertible debentures	-	(3,855,638)	
Balance - end of year	1,060,382	-	3,790,932
Less current portion	-	-	3,790,932
Long term portion	$ 1,060,382	$ -	$ -

11 Convertible debentures (continued)

On May 19, 2020, the Company issued unsecured convertible debentures with a maturity date of December 31,2022 in an aggregate principal amount of $1,250,000 (2019 – $nil). Interest accrues at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest will convert at a price per security equal to 80% of the price per security issued in the qualified financing. The convertible debenture is recorded at amortized cost using the effective interest rate of 18.4%. The fair value of the conversion option was determined to be $304,236 on issuance using a discount rate of 1%, probability of 95% and expecting timing of a qualified financing of June 2021. As at December 31, 2020, the fair value of the conversion option was determined to be $324,731 using a discount rate of 1%, probability of 95% and expected timing of qualified financing of June 2021.

The convertible debentures and accrued interest may be converted:

- any time before the maturity date, at the option of the holder;
- on the maturity date, at the option of the Company, provided notice thereof is given to the debentureholders at least ten days before the maturity date; and,
- automatically on the earlier of a liquidation event or a qualified financing, as defined in the convertible debenture agreements.

Prior to January 1, 2019, the Company issued unsecured convertible debentures in an aggregate principal amount of $3,999,447 with a fixed annual interest rate of 12% per annum and maturity dates from September 30, 2020 to December 31, 2022. On the occurrence of a qualified financing, the convertible debentures and accrued interest will convert at a price per security equal to 90% of the price per security issued in the qualified financing. The convertible debenture is recorded at amortized cost with an average effective interest rate of 21.9%. On March 1, 2019, the Company completed a qualified financing and therefore all convertible debentures outstanding at that time plus accrued interest were converted into 5,971,853 common shares at a conversion price of $0.83. This represented a price per common share equal to 90% of the price per common share issued in the qualified financing.

The embedded derivative and warrant liabilities related to the convertible debentures are as follows:

	Conversion Option	Warrants	Total
Balance - January 1, 2019	$ 527,356	$ 313,117	$ 840,473
Fair value (gain)	(33,898)	(472,434)	(506,332)
Issuance of warrant liability	-	526,049	526,049
Conversion to common shares	(493,458)	-	(493,458)
Balance - December 31, 2019	-	366,732	366,732
Issuance of new debentures	304,236	-	304,236
Fair value (gain) or loss	20,495	(347,766)	(327,271)
Balance - December 31, 2020	$ 324,731	$ 18,966	$ 343,697

12 Related party transactions

During the years ended December 31, 2020 and 2019, the Company recognized treatment revenues from LBB Applied Technology Inc., a shareholder of the Company that is entitled to nominate one director to the Board. These transactions were made in the normal course of business.

The Company has a shareholder and director, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement (note 20), requiring the semi-annual payment of royalty fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

12 Related party transactions (continued)

On November 29, 2018, the Company entered into a promissory note in the amount of $150,000 secured against the Company's 2016 and 2017 scientific research and experimental development (SR&ED) claims with an interest rate of 12%. The lender was a shareholder and director, and the promissory note was repaid on March 20, 2019.

During years prior to 2019, the Board approved remuneration of approximately $98,331 to certain directors for services provided to the Company in addition to their role as director. As at December 31, 2020, $75,000 of these amounts remain unpaid and are included in trade and other payables.

$900,000 of the Company's convertible debenture (note 11) issued on May 19, 2020 were issued to a director and significant shareholder. These convertible debentures were on the same terms as convertible debentures issued to other parties. $250,000 of the Company's deposits for future share financings (note 25) were received from a director and significant shareholder.

The total remuneration of directors and key management personnel (officers and vice president) of the Company during the year was $483,387 (2019 - $461,923). The balance consisted of salaries and benefits.

A summary of the Company's related party transactions follows:

	December 31 2020	December 31 2019	January 1 2019
Income during the year			
Treatment revenues	$ 95,295	$ 59,630	
Sale of MyndMove devices	-	129,669	
	$ 95,295	$ 189,299	
Payments to directors during the year			
Promissory loans and interest repaid during the year	$ -	$ 156,000	
Payments for pre-2019 services	-	25,031	
	$ -	$ 181,031	
Expenses during the year			
Share-based compensation for directors and officers and senior officers	$ 92,198	$ 193,650	
Salaries, fees and benefits for directors and senior officers	517,387	499,923	
Short-term interest on promissory note	-	4,323	
License fees	8,567	-	
R&D services	23,115	-	
	$ 641,267	$ 697,896	
Assets at end of year			
Accounts receivable for treatment revenues	$ 7,638	$ 7,808	
Liabilities at end of year			
Due to director for pre-2019 compensation	$ 75,000	$ 75,000	$ 75,000
License fees payable	$ 8,567	$ -	$ -
Deferred revenue	$ 220,520	$ -	$ 129,669
Promissory notes payable	$ -	$ -	$ 151,677

13 Share capital, warrants and stock options

The Company is authorized to issue an unlimited number of common shares.

	Number of Shares	$
Balance, January 1, 2019	**7,229,229**	**3,887,468**
Issuance of common shares	2,435,316	1,649,092
Conversion of convertible debentures (note 11)	5,971,853	4,425,322
Balance, December 31, 2019	**15,636,398**	**9,961,882**
Exercise of warrants	94,339	123,401
Balance, December 31, 2020	**15,730,737**	**10,085,283**

During the year ended December 31, 2019, the Company closed a common share financing by issuing 2,435,316 common shares for total gross proceeds of $2,240,491 less share issuance costs of $65,350 for net proceeds of $2,175,141. In conjunction with this common share financing, the Company issued 2,240,491 common share warrants with an exercise price of $1.06 and a fair value of $526,049 (note 11) which has been accounted for as a derivative warrant liability, and the $1,649,092 remainder of the net proceeds has been allocated to share capital.

During the year ended December 31, 2019, as a result of closing the private placement, the Company issued 5,971,853 common shares for the conversion of convertible debentures (note 11). At the date of conversion, the convertible debentures had a carrying value of $3,931,884 and the embedded derivative had a fair value of $493,438 for a total of $4,425,322.
On February 11, 2020, 94,339 common shares were issued upon the exercise of 94,339 warrants for cash consideration of $100,000 and $23,401 of fair value transferred from contributed surplus, for a total value of $123,401 added to share capital.

Warrants

The Company estimated the fair value of the common share warrants granted using the Black-Scholes option pricing model with the following assumptions:

	Revaluation December 31 2020	Revaluation December 31 2019	March 1 2019	April 23 2019
Warrants	2,240,491	2,240,491	1,700,000	540,491
Exercise price	$1.06	$1.06	$1.06	$1.06
Share price	$0.737	$0.737	$0.685	$0.737
Volatility	78.82%	88.82%	86.69%	67.78%
Expected life of warrants	0.33	1.33	2.17	2.02
Risk-free interest rate	1.77%	1.77%	1.77%	1.57%
Dividend yield	nil	nil	nil	nil

Of the gross proceeds received from the common share financing of $2,240,491, the fair value of the warrants, equal to $526,0479 was recorded as a derivative warrant liability (note 11).

	Number of Warrants	Weighted Avg. Exercise Price
Balance, January 1, 2019	2,913,843	$1.25
Issued	2,240,491	0.92
Expired	(2,913,843)	1.25
Balance, December 31, 2019	2,240,491	$0.92
Exercised	(94,339)	0.92
Balance, December 31, 2020	2,146,152	$0.92

As at December 31, 2020 all warrants are exercisable and have a weighted average remaining contractual life of 0.33 years (December 31, 2019, 1.33 years).

13 Share capital, warrants and stock options (continued)

Stock options

Under the Company's "evergreen" stock option plan, the Company may grant stock options for up to 10% of the outstanding common shares at the time of the granting of the stock options on a fully diluted basis to certain employees and directors. The exercise price of each stock option granted may not be less than the market price of the Company's stock at the time of the grant. These stock options vest over a period of up to four years and have expiry dates of either seven or ten years.

A summary of the stock option changes during the years presented and the total number of stock options outstanding as at those dates as set out below:

	Number of Options	Weighted Avg. Exercise Price
Balance, January 1, 2019	603,858	$1.20
Granted	487,000	0.92
Balance, December 31, 2019	1,090,858	$1.07
Forfeited or expired	(83,000)	0.95
Balance, December 31, 2020	1,007,858	$1.08

The following table summarizes information about the stock options as at December 31, 2020:

Exercise Price	Number of Stock Options Outstanding	Weighted Avg. Remaining Contractual Life (years)	Number of Stock Options Exercisable
$0.92	437,000	5.38	242,750
$1.21	570,858	5.05	488,023
	1,007,858	5.19	730,773

The Company estimated the fair value of the stock options granted in 2019 using the Black-Scholes option pricing model with the following weighted average assumptions:

	May 13 2019	June 24 2019	July 15 2019
Options issued	387,000	50,000	50,000
Exercise price	$0.92	$0.92	$0.92
Share price	$0.74	$0.74	$0.74
Volatility	84.90%	85.38%	91.00%
Expected life of share options	5	5	5
Risk-free interest rate	1.54%	1.34%	1.51%
Dividend yield	nil	nil	nil

Due to the absence of Company specific volatility rates, the Company chose comparable companies in a similar industry. Compensation expense related to stock options recorded in the consolidated statement of operations and comprehensive loss, for the year, using the graded vesting method, was $124,887 (2019 – $274,634).

14 Breakdown of expenses by nature

	2020	2019
Salaries and benefits (note 15)	$ 518,133	$ 453,049
Accounting, legal and professional fees	352,971	200,449
Technology expense	73,059	78,250
Additional rent	52,060	64,845
Insurance	27,464	25,379
Travel	18,029	36,116
Bad debts (recovery)	(6,526)	6,526
Other expenses	69,605	62,251
Total general and administration expenses	$ 1,104,795	$ 926,865

	2020	2019
Salaries and benefits (note 15)	$ 399,920	$ 371,488
Patent expenses	41,041	40,114
Other development expenses	115,663	108,058
Total research and development expenses	$ 556,624	$ 519,660

15 Salaries and benefits (note 12)

	2020	2019
General and administration (note 14)	$ 518,133	$ 453,049
Research and development (note 14)	399,920	371,488
Selling and marketing	236,073	184,543
Clinical trial (note 17)	90,808	88,182
	$ 1,244,934	$ 1,097,262

16 Interest and accretion expense and changes in fair value

Interest and accretion expense	2020	2019
Accretion expense		
FEDA loan (note 10)	$ 73,554	$ 114,322
CEBA loan (note 10)	1,290	-
HTE loan (note 10)	30,962	23,238
Total for government loans	105,806	137,560
Lease obligations (note 6)	7,634	11,371
Convertible debentures (note 11)	114,618	140,932
	228,058	289,863
Short term interest	234	(1,806)
Total interest and accretion expense	$ 228,292	$ 288,057

Changes in fair value	2020	2019
Government loans (note 10)	(106,715)	107,166
Convertible debenture conversion liabilities (note 11)	20,495	(33,898)
Warrant liabilities (note 11)	(347,766)	(472,434)
Total fair value adjustments	$ (433,986)	$ (399,166)

17 Government grants and tax credits

	Year Ended December 31, 2020	Year Ended December 31, 2019
SR&ED Claims	$ 256,382	$ 231,913
TWS and CEWS subsidies	161,928	-
Gain on Federal CEBA Loan (note 10)	16,265	-
	$ 434,575	$ 231,913

Scientific research and experimental development tax credits
The Company periodically makes claims for SR&ED deductions and related expenses for income tax purposes, based on management's interpretation of the applicable legislation in the Income Tax Act (Canada). During the year ended December 31, 2020, the Company received and recognized SR&ED claims for the 2019 taxation year (2019 – 2017 and 2016 tax years). The Company has not recorded the benefit of any SR&ED claims related to the year ended December 31, 2020 (note 25).

Federal COVID-19 pandemic subsidies
During 2020, the Company received amounts from the federal government's Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA) programs (note 10).

18 Clinical trial

The Company is party to an arrangement funded by the United States Department of Defense, for a total amount of US$2,000,000, wherein the Company is responsible to manage a clinical trial of its MyndMove device. The Company has no obligation as to the outcome of this trial and is eligible to recover all costs of the participating clinics and supervising clinic once the respective funds have first been received from the US Federal Government.

The Company's direct costs related to this trial are contractually fully recoverable, although there are small discretionary amounts incurred by the Company that may not be, such that the Company expects to achieve a small net expense each month, which may vary between accounting periods, on this arrangement.

19 Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 – 26.5%) to the effective tax rate as follows:

	December 31, 2020	December 31, 2019
Net loss before income taxes	$ (1,494,498)	$ (1,848,364)
Expected income tax recovery	(396,040)	(489,820)
Non-deductible expenses and other adjustments	-	6,490
Stock based compensation	25,180	54,270
Share issuance costs booked directly to equity	-	(17,310)
Change in tax benefit not recognized	370,860	446,370
Income tax expense (recovery)	$ -	$ -

19 Income taxes (continued)

Deferred tax

The following table summarizes the components of deferred tax:

	December 31, 2020	December 31, 2019
Deferred tax assets		
Lease obligations	7,500	20,450
Convertible debentures	13,970	-
Non-capital losses carried forward	214,370	138,170
Total deferred tax assets	235,840	158,620
Deferred tax liability		
Right-of-use asset	(7,500)	(20,450)
Derivative and warrant liabilities	(220,930)	(134,180)
CEBA loan	(3,970)	-
Input tax credits	(3,440)	(3,990)
Total deferred tax liabilities	(235,840)	(158,620)
Net deferred income taxes	$ -	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying value of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2020	December 31, 2019
Equipment	269,200	197,320
Lease obligations	4,150	5,650
Government loans	242,540	244,740
Share issuance costs	44,010	59,470
Reserves	75,000	75,000
Non-capital losses carried forward	11,014,590	9,880,837
Federal tax credits	38,020	8,380
Other tax deduction pools	508,250	271,420
Provincial tax credits	47,230	47,228
	$ 12,242,990	$ 10,790,045

The Canadian non-capital income tax loss carry-forward expires as noted in the table below. Share issue costs will be fully amortized in 2023. Investment tax credits expire from 2026-2027. The remaining deductible differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

19 Income taxes (continued)

The Company's Canadian non-capital income tax losses expire as follows:

2033	$ 974,720
2034	1,795,280
2035	1,278,160
2036	1,224,110
2037	1,175,840
2038	1,430,050
2039	1,715,120
2040	1,421,310
Total	$11,014,590

20 Commitments and contingencies

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize certain intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction (net sales), as follows:

- 0% on the first $1,000,000 cumulative net sales;
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000; and,
- 1% on the cumulative net sales exceeding $7,500,000.

The amount of these fees of the years ended December 31, 2020 and 2019 are disclosed in Note 12.

On May 15, 2020, the Company signed a financial advisory agreement, which included a monthly retainer of $15,000 per month for a six-month term. If a private financing transaction is completed during the term or during the following twelve-month period, which is not Company investor led, additional success fees are payable based on a percentage of the amount raised:

- No qualified private financing transaction was completed in the six-month period commencing May 15, 2020; and,
- Management believes that the private placement transactions completed on May 3, 2021 (note 25) and in-process on the date hereof (note 25) are Company investor led and are not subject to a success fee under the financial advisory agreement.

The Company is committed to payment of retention bonuses to four employees, in the total amount of $70,500 that are payable on December 31, 2021, provided such employees are still with the Company on that date.

On June 23, 2021, the Company entered into an agreement with the Company's former Chief Executive Officer (note 25) to acquire transition services, for a minimum of $48,750 over a three-month period and a maximum amount of $97,500 over a six-month period.

The Company's lease commitments are disclosed in Note 6 and 25.

21 Capital Management

The Company's capital management objectives are to maintain financial flexibility in order to pursue its product development and commercialization strategy, and ultimately provide long-term returns to its shareholders. This strategy relies significantly on the Company's ability to demonstrate growing efficacy creation in its medical devices, in order to convince potential investors to invest more capital in the Company's development efforts.

The Company defines capital as the aggregate of its share capital and borrowings.

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the year ended December 31, 2020.

22 Financial instruments and risk management

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables. As at December 31, 2020, the Company had $4,576 in overdue trade and other receivables (2019 – $11,464).

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2020:

	Payments due			
	Less than 1 year	2 - 3 years	After 3 years	Total
Trade and other payables	$ 643,912	$ -	$ -	$ 643,912
Office lease - base rent and common area	$ 64,885	-	-	64,885
Government loans - principal	155,604	859,240	351,998	1,366,842
Convertible debentures - principal	-	1,250,000	-	1,250,000
	$ 864,401	$ 2,109,240	$ 351,998	$ 3,325,639

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. As at December 31, 2020 1% change in the foreign exchange rates would result in a $632 impact to the financial statements.
- **Interest rate risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at December 31, 2020 and 2019 because all of its indebtedness is at fixed rates.
- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at December 31, 2020 and 2019.

22 Financial instruments and risk management (continued)

Fair values

The carrying values of cash and cash equivalents, trade and other receivables excluding HST, trade and other payables excluding HST, lease obligations, and promissory note are considered representative of their respective fair values due to the short-term period to maturity. The convertible debentures and government loans approximate their fair value as the interest and discount rates are consistent with the current rates offered by the Company for its loans with similar terms. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the year, there were no transfers of amounts between levels. The fair value of derivative and warrant liabilities and HTC government loan are determined using level 3 inputs.

Financial instruments measured at fair value using level 3 inputs:

	Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value**
Derivative liabilities	Probability weighted discounted cash flow (note 11)	- Discount rate - Expected timing and probability of qualified transaction	An increase in the probably or earlier expected date of Qualified Financing would increase the fair value of the derivative liability.
Warrant liabilities	Black Scholes (note 13)	- Share price - Volatility	An increase in share price or volatility would increase the fair value of the warrant liabilities.
HTC government loan	Discounted cash flows (note 10)	- Discount rate - Expected timing of repayments based on revenue forecast	An increase revenue growth or decrease in discount rate would increase the fair value of the HTC government loan.

23 Segmented information

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource decisions and to assess performance. The CODM is the Chief Executive Officer.

The Company has revenues from sales in Canada and from Canada to the United States and has one operating segment which includes income related to its MyndMove device and a variation of that device, called MyndSearch, which has been modified for research purposes. The two types of revenue that are earned from MyndMove include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove or MyndSearch devices to clinics or research institutions and the sale of treatment supplies.

All treatment devices are located in Canada, except for six devices located in the United States, and all sales of devices have occurred in Canada. Revenue by geographical location and gross margin by services and products delivered were as follows:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue by geographic location of customers		
Canada	$ 67,339	$ 251,817
United States	95,295	59,630
	$ 162,634	$ 311,447
Revenue by services and products delivered		
Revenue		
Treatment fees	$ 161,832	$ 180,851
Devise sales	-	129,669
Other	802	927
	162,634	311,447

24 First Time Adoption of IFRS

These are the Company's first consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1, First Time Adoption of IFRS. The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

In preparing its opening IFRS consolidated statement of financial position, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with its old basis of accounting, CPA Canada Handbook Part II – Accounting Standards for Private Enterprises ("ASPE"). An explanation of how the transition from ASPE to IFRS has affected the Company's consolidated financial position, financial performance and cash flows is set out below:

Financial instruments
The Company has applied IFRS 9, Financial Instruments retrospectively from the IFRS transition date of January 1, 2019. Under ASPE, the Company was able to record the full value of convertible debt at amortized cost. However, under IFRS, the Company is required to bifurcate all components of the convertible debt issued and record based on the characteristics of the component and classify as either a liability or equity depending on those characteristics. The Company has also classified the Health Technology Exchange (HTE) loan at fair value through profit and loss using a market rate of interest and estimated repayment terms.

Estimates
On transition from ASPE to IFRS, the equipment depreciation policy was revised to reflect a change in the depreciation method from declining balance to straight line.

Below is a summary of the reconciliation of the consolidated statement of financial position and shareholders' deficiency as at January 1, 2019:

	ASPE balance	Adjustments		IFRS balance
Assets				
Current assets				
Cash and cash equivalents	**$ 341,583**	$ -		$ 341,583
Trade and other receivables	**343,646**	6,300	(f)	349,946
Inventories	**37,169**	38,928	(f)	76,097
Prepaid expenses and deposits	**18,471**	58,927	(f)	77,398
	740,869	104,155		845,024
Non-current assets				
Equipment	**339,076**	(33,030)	(a)	306,046
Intangible assets	**399,498**	(399,498)	(b)	-
Total Assets	**$ 1,479,443**	$ (328,373)		$ 1,151,070
Liabilities				
Current liabilities				
Trade and other payables	**$ 421,105**	$ 6,300	(f)	$ 427,405
Promissory note	**151,677**	-		151,677
Deferred revenue	**110,864**	28,295	(f)	139,159
Convertible debentures	**4,879,989**	(1,089,057)	(c)	3,790,932
Current portion of long-term liabilities	**177,768**	-		177,768
	5,741,403	(1,054,462)		4,686,941
Long-term liabilities, net of current portion				
Government loans	**1,249,038**	(667,028)	(d)	582,010
Derivative and warrant liabilities	**-**	840,473	(c)	840,473
Total Liabilities	**6,990,441**	(881,017)		6,109,424
Shareholders' deficiency				
Share capital	**3,487,468**	400,000	(e)	3,887,468
Contributed surplus	**554,904**	30,550	(f)	585,454
Deficit	**(9,553,370)**	122,094		(9,431,276)
Total deficiency	**(5,510,998)**	552,644		(4,958,354)
Total Liabilities and Shareholders' deficiency	**$ 1,479,443**	$ (328,373)		$ 1,151,070

24 First Time Adoption of IFRS (continued)

The following are explanations for the adjustments from ASPE to IFRS:

(a) The Company adjusted the opening balance of equipment to change the depreciation method from a declining balance method to straight-line method.

(b) The Company recorded impairment of intangible assets through opening deficit of $399,498 upon the adoption of IFRS 36 - Impairment of Assets.

(c) The Company has adjusted opening balance of convertible debentures to record the conversion feature on the convertible debentures and valuation of warrants, which are included in derivative and warrant liabilities (note 11). The Company has assessed the conversion feature to meet the definition of a liability.

(d) The Company has adjusted the opening carrying value and fair value of government loans to adjust market rates of interest for government loans and estimated repayment terms related to the Health Technology Exchange (HTE) loan (note 10).

(e) The Company has adjusted the opening balance of share capital to record the issuance of common shares in a year prior to January 1, 2019 related to a licensing agreement that was determined to be impaired The amount has been recorded through opening deficit.

(f) The Company has adjusted for certain immaterial errors in trade and other receivables, inventories, prepaid expenses and deposits, trade and other payables, deferred revenue and contributed surplus. The net difference of $5,980 was recorded to the opening deficit.

25 Subsequent events

Initial private financing transaction

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023.

- $285,183 of the proceeds less share issue costs were allocated to the value of the warrants, based on a Black Scholes valuation with an exercise price of $1.06; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 2-year life for the warrants; and, a risk-free interest rate of 1.41%.
- $375,000 of the proceeds were received by December 31, 2020 and are recorded in the Company's December 31, 2020 consolidated statement of financial position as deposits for future share financings.
- $59,134 of share issue costs were incurred in respect of these financings, of which $45,785 was recorded in the December 31, 2020 consolidated statement of financial position as part of prepaid expenses and deposits.

Secondary private financing transaction

On December 10, 2021, the Company completed a secondary private financing, for a total of $2,954,302 of which $590,861 was received by the Company and the balance remains in escrow. The subscribers received 2,954,302 subscription receipts units, with the expectation that these will be exchanged for 2,954,302 common shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipts are exchanged.

The exchange of the subscription receipts units into common shares and warrants is conditional on the Company obtaining conditional listing approval on a stock exchange in Canada by February 28, 2022. In the event that a listing is not obtained by that time, the funds in escrow will be returned to the subscribers and the subscribers will receive $590,861 plus accumulated interest in convertible debentures of the Company.

Change in Chief Executive Officer

On June 23, 2021, the Company appointed a new Chief Executive Officer (CEO), at the same salary amount and benefits as the former CEO. The former CEO cooperated with the Company in executing a termination arrangement that confirmed a concurrent severance payment of $255,816, including benefits, and signed a transitional services agreement with the Company for a minimum of $48,750 over a three-month period and a maximum amount of $97,500 over a six-month period. The new CEO was granted 600,000 options, with a Black-Scholes value of $284,371; and the former CEO forfeited 397,608 options, with a Black-Scholes value of $345,919 calculated on their issue date in the year ended December 31, 2017.

25. Subsequent events (continued)

Canadian Securities Exchange listing (CSE)

On October 12, 2021 the Company submitted a non-offering prospectus to the Ontario Securities Commission and a listing application to the CSE to become a listed company on the CSE. On conditional listing approval of this application, by the CSE:

- the Company's outstanding convertible debentures and accumulated interest (note 11), as of the date that the listing is approved, will be converted into subscription receipt units at $0.80 per subscription receipt unit; and thereafter,
- the Company will exchange each share subscription receipt into one (1) common share and (1) warrant at $1.00 that will expire sixty months following the date of such approval.

If the listing application is unsuccessful, the Company's convertible securities will not be converted into subscription receipts; the $590,861 received by the Company will be converted into convertible debentures; and, the escrowed funds and accumulated interest will be returned, by the Escrow Agent, to the Subscribers.

Scientific Research and Experimental Development (SR&ED) claim (note 16)

On July 31, 2021 the Company received and recognized as income its $230,945 SR&ED claim for the year ended December 31, 2020.

Lease Commitment

On August 1, 2021 the Company moved its corporate office to a new premises, subject to a three-year lease for 2,057 square feet and a lease commitment of $26,021 and $27,057 and $28,078 for the 2022, 2023 and 2024 years ending July 31st, respectively.

Distribution agreement

On September 29, 2021, the Company entered into an exclusive distribution agreement (Distribution Agreement) with LBB Applied Technology Inc. (LBB), a shareholder of the Company (note 12). LBB operates in the State of Michigan, USA and has extensive relationships with hospitals and hospital groups in the United States. Pursuant to the Distribution Agreement, LBB is appointed as the exclusive distributor of MyndMove devices and ancillary hardware software, documentation, supplies and services necessary for the operation or use of each MyndMove device (collectively, the MyndMove Products).

Subject to the terms of the Distribution Agreement, LBB has the exclusive right to market and distribute the MyndMove Products in the State of Michigan and to healthcare facilities and hospital systems in certain states in the US.

FEDA Loan Amendment

On December 3, 2021, the Company's repayment schedule for its FEDA indebtedness was amended as follows:

FEDA Remaining Principal	Original	Revised
2021	110,000	110,000
2022	240,000	60,000
2023	227,242	120,000
2024		240,000
2025		47,242
	577,242	577,242

Deferred Payment Plan

On December 31, 2021, the Company entered into an agreement with a supplier that is not a related party. The agreement was made in settlement for amounts outstanding for services provided through to January 24, 2022. The agreement requires a commitment for payment as follows: i) $579,208 due on completion of a public offering expected on or around January 24, 2022, ii) $42,500 to be paid $2,500 per month beginning February 1, 2022 through to June 1, 2023, and iii) $296,500 due and payable on June 30, 2023. In the event the Company closes a private placement or public offering, the Company is required to pay down the outstanding balance as follows: i) if the offering is less than $3 million, the payment will be 5% of the proceeds; ii) if the offering is $3 million or more, the payment will be for the outstanding balance. Interest will accrue on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest will be waived.

MyndTec Inc.

Unaudited Condensed Interim Consolidated Financial Statements

September 30, 2021

MyndTec Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2021 and December 31, 2020

	September 30 2021	December 31 2020
Assets		
Current assets		
Cash	**$ 754,316**	$ 668,580
Trade and other receivables (note 3 and 11)	**153,416**	168,539
Inventories (note 4)	**290,318**	323,566
Prepaid expenses and deposits (note 21)	**284,077**	180,260
	1,482,127	1,340,945
Non-current assets		
Right-of-use asset (note 5)	**66,164**	28,300
Equipment (note 6)	**295,034**	285,346
Total Assets	**$ 1,843,325**	$ 1,654,591
Liabilities		
Current liabilities		
Trade and other payables (note 11)	**$ 1,822,248**	$ 643,912
Deferred revenue (note 7 and 11)	**220,520**	220,520
Current portion of long-term liabilities (note 8)	**253,449**	188,054
	2,296,217	1,052,486
Long-term liabilities, net of current portion		
Lease obligations (note 5)	**31,045**	-
Government loans (note 9)	**643,220**	649,008
Convertible debentures (note 10 and 11)	**1,217,480**	1,060,382
Derivative and warrant liabilities (note 10)	**347,357**	343,697
Deposits for future share financings (note 11 and 21)	**476,210**	375,000
Total Liabilities	**5,011,529**	3,480,573
Shareholders' deficiency		
Share capital (note 12)	**11,013,889**	10,085,283
Contributed surplus	**1,221,014**	862,873
Deficit	**(15,403,107)**	(12,774,138)
Total deficiency	**(3,168,204)**	(1,825,982)
Total Liabilities and Shareholders' deficiency	**$ 1,843,325**	$ 1,654,591

Commitments and contingencies (note 18)

Subsequent events (note 21)

"Craig Leon" Director

"Carlo Pannella" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statement

MyndTec Inc.
Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2021 and 2020

	Three Months Ended		Nine Months Ended	
	September 30 2021	September 30 2020	September 30 2021	September 30 2020
Revenue (note 11 and 19)	**$ 94,668**	$ 41,259	**$ 200,660**	$ 116,481
Cost of sales	**29,482**	30,534	**87,995**	66,518
Gross Margin	**65,186**	10,725	**112,665**	49,963
Expenses				
General and administration (note 13)	**185,035**	245,482	**929,806**	812,673
Research and development (note 13)	**160,547**	174,832	**604,091**	450,432
Quality and regulatory assurance	**24,021**	10,195	**60,963**	40,325
Selling and marketing	**22,637**	64,860	**68,821**	223,509
Share-based compensation (note 12)	**93,467**	26,604	**86,347**	79,812
Interest and accretion expense (note 15)	**81,105**	72,693	**235,786**	129,988
Depreciation and amortization (note 5 and 6)	**24,023**	30,054	**80,270**	90,162
Clinical trial (note 17)	**(6,339)**	(7,945)	**6,533**	(21,270)
Changes in fair value (note 15)	**13,274**	(85,548)	**120,182**	(334,856)
Public listing costs (note 21)	**545,905**	-	**779,780**	-
Government grants and tax credits (note 16)	**(230,945)**	(45,145)	**(230,945)**	(434,575)
Total expenses	**912,730**	486,082	**2,741,634**	1,036,200
Comprehensive Loss	**$ (847,544)**	$ (475,357)	**$ (2,628,969)**	$ (986,237)
Loss per share - basic and diluted	**$ (0.05)**	$ (0.03)	**$ (0.16)**	$ (0.06)
Weighted average number of common shares outstanding - basic and diluted	**17,099,796**	15,730,737	**16,480,699**	15,673,460

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

MyndTec Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
For the nine months ended September 30, 2021 and 2020

	Share Capital	Contributed Surplus	Deficit	Total
Balance, December 31, 2019	**$ 9,961,882**	**$ 791,230**	**$ (11,279,640)**	**$ (526,528)**
Net loss and comprehensive loss	-	-	(986,237)	(986,237)
Share-based compensation (note 12)	-	79,812	-	79,812
Exercise of warrants (note 12)	123,401	(23,401)	-	100,000
Balance, September 30, 2020	**$ 10,085,283**	**$ 847,641**	**$ (12,265,877)**	**$ (1,332,953)**
Net loss and comprehensive loss	-	-	(508,261)	(508,261)
Share-based compensation	-	15,232	-	15,232
Balance, December 31, 2020	**$ 10,085,283**	**$ 862,873**	**$ (12,774,138)**	**$ (1,825,982)**
Net loss and comprehensive loss	-	-	(2,628,969)	(2,628,969)
Common share financing (note 12)	928,606	271,794		1,200,400
Share-based compensation (note 12)	-	86,347	-	86,347
Balance, September 30, 2021	**$ 11,013,889**	**$ 1,221,014**	**$ (15,403,107)**	**$ (3,168,204)**

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

MyndTec Inc.
Unaudited Condensed Interim Consolidated Statement of Cash Flows
For the nine months ended September 30, 2021 and 2020

	Nine Months Ended	
	30-Sep 2021	30-Sep 2020
Cash flows provided by operating activities		
Net loss and comprehensive loss	**$(2,628,969)**	$ (986,237)
Items not affecting cash:		
Share-based compensation	**86,347**	79,812
Depreciation and amortization (note 5 and 6)	**80,270**	90,162
Interest accretion (note 15)	**236,363**	129,754
Changes in fair value (note 15)	**120,182**	(334,856)
Government grant on Federal CEBA loan (note 16)	**-**	(16,265)
	(2,105,807)	(1,037,630)
Changes in non-cash working capital items		
Trade and other receivables	**15,123**	176,725
Inventories	**33,248**	(86,641)
Prepaid expenses and deposits	**(103,817)**	(5,824)
Trade and other payables	**1,178,336**	(428,475)
Deferred revenue	**-**	220,520
Cash flows used by operating activities	**(982,917)**	(1,161,325)
Cash flows used in investing activities		
Purchase of equipment (note 6)	**(57,766)**	(2,059)
	(57,766)	(2,059)
Cash flows provided by financing activities		
Lease payments (note 5)	**(49,587)**	(43,482)
Receipt of government loan (note 9)	**-**	40,000
Issuance of convertible debentures (note 10)	**-**	1,250,000
Repayment of government loans (note 9)	**(125,604)**	(15,000)
Deposits for future share financings, current period	**476,210**	-
Issuance of share capital, net of prior year receipts	**884,536**	100,000
Share issue costs	**(59,136)**	
	1,126,419	1,331,518
Increase in cash	**85,736**	168,134
Cash, beginning of period	**668,580**	416,107
Cash, end of period	**$ 754,316**	$ 584,241

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

MyndTec Inc.
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at September 30, 2021

1 Corporate Information

MyndTec Inc. (the "Company" or "MyndTec") is a medical technology company that researches, develops and distributes innovative therapies designed to improve function, maximize independence and enhance the quality of life for individuals with paralysis due to stroke or spinal cord injury. The Company was incorporated under the Business Corporations Act of Ontario and its Head Office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9.

COVID-19 pandemic

The global outbreak of the COVID-19 pandemic continues to be a threat to the global economy. The extent to which the COVID-19 pandemic may continue to impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions and social distancing in Canada, the United States and other countries; business closures or business disruptions; and the effectiveness of actions taken by governments around the globe to contain and treat the disease. The measures taken to date have caused material disruptions to businesses globally, resulting in an economic slowdown.

From an operational perspective, the Company's employees and distribution partners, as well as the workforce of vendors, services providers and counterparties with which the Company does business, may also be adversely affected by the COVID-19 pandemic or efforts to mitigate the pandemic, including government-mandated shutdowns, requests or orders for employees to work remotely and other physical distancing measures, which could result in an adverse impact on the Company' ability to conduct its businesses, including its ability to cultivate adoption of the Company's technology.

To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the growth rate for new user sites. Despite the COVID-19 pandemic, treatment sessions are continuing, and the Company continues to identify potential new user sites. The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

The Company received various government grants during 2020 related to the COVID-19 pandemic (note 16).

2 Significant Accounting Policies

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and interpreted by the IFRS Interpretations Committee (IFRIC). These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2020.

These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on February 11, 2022.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a going concern basis using historical cost, except for items designated as fair value through profit and loss.

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, MyndTec US Inc. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies, and the subsidiary is fully consolidated from its date of formation. All intercompany balances, transactions and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

Functional currency and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars ("CAD dollars"). The Company's functional currency is CAD dollars, and the functional currency of the Company's wholly owned subsidiary is the United States dollar.

2 Significant Accounting Policies (continued)

Use of estimates and judgements

The preparation of these unaudited condensed interim 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 and liabilities at the date of the unaudited condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements:

- ***Going concern***
  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which might cast significant doubt on the Company's ability to continue as a going concern is required. In management's judgement, such disclosure is not required. This judgement is based on management's expectation of revenue and future net cash flows for the 18-month period to March 31, 2023. The Company's mitigating actions include a subsequent financing transaction for gross proceeds held in escrow of $2,363,441; deferral of financial obligations due within the next 12 months of $519,000 including a FEDA loan amendment and a deferred payment plan; and, reduction in operating and discretionary expenses.

  During the nine-month period ended September 30, 2021, the Company had a net loss of $2,628,969, which includes $779,780 of public listing costs, negative cash flows from operating activities of $982,917 and negative working capital of $814,090 as at September 30, 2021. To the extent that the Company has negative operating cash flows in future periods, the Company will deploy funds raised through the above noted subsequent financing transaction to fund such negative cash flow. Based on management's expectations of revenue, future net cash flows for the 18-month period to March 31, 2023; the subsequent financing transaction; the FEDA loan amendment and the deferred payment plan of financial obligations due within the next 12 months, management has applied judgement in determining that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  The estimates used by management in reaching this conclusion are based on information available as of the date of these condensed interim consolidated financial statements were authorized for issuance and included internally generated cash flow forecast. Accordingly, actual results could differ from those estimates and resulting variances may be material to management's assessment.

- ***Trade and other receivables***
  The recognition of trade and other receivables and loss allowances requires the Company to assess credit risk and collectability. The Company considers historical trends and available information indicating a customer could be experiencing liquidity or going concern problems and the status of any contractual or legal disputes with customers in performing this assessment.

  The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses ("ECLs") resulting from all possible default events over the assets' contractual lifetime. The Company has established an allowance for ECLs that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This rate is then adjusted based on management judgment to account for current economic conditions, counterparty's present financial condition and the term to maturity of the specified receivable balance. Actual credit loss may significantly differ from this estimate of provision.

  Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof. The Company's expected credit loss provision was insignificant as at September 30, 2021 and 2020 and December 31, 2020.

2 Significant Accounting Policies (continued)

- ***Leases***
  Values of right-of-use assets and lease liabilities require judgment in determining lease terms such as extension options and the incremental borrowing rate applied. The Company estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. Renewal options are only included if management is reasonably certain that the option will be renewed.

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Cox-Rubenstein Binomial model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Convertible debentures and embedded derivative***
  Convertible debentures are compound financial instruments which are accounted for separately by their components: liabilities, equity and warrants. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment by management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest or liability component. The determination of the fair value of the liability is also based on a number of assumptions including contractual future cash flows, discount rates, and presence of liabilities. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determining the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

- ***Income taxes***
  The Company computes an income tax provision in each of the tax jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. To the extent that estimates of future taxable income differ from the tax return, earnings would be affected in a subsequent period.

  In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3 Trade and other receivables

	September 30 2021	December 31 2020
Trade receivables		
0 - 30 days	$ 17,672	$ 163,873
60-90 days	46,498	3,762
Over 90 days	1,186	904
	$ 65,356	$ 168,539
Commodity Taxes	83,082	-
Other	4,978	
	$ 153,416	$ 168,539

4 Inventories

	September 30 2021	December 31 2020
Production parts and clinical supplies	$ 143,283	$ 120,517
Finished devices	147,035	203,049
	$ 290,318	$ 323,566

5 Right-of-use asset and lease obligations

On August 1, 2021, the Company moved its corporate office to a new premises, subject to a three-year lease for 2,057 square feet and a lease commitment of $26,021 and $27,057 and $28,078 for the 2022, 2023 and 2024 years ending July 31st, respectively. The company has determined it is unlikely this lease will be renewed at the end of its initial term and has determined the initial fair value of the right-of-use asset and lease obligations based on the estimated future cash flows of the lease payments using a discount rate of 12.51%, applied monthly.

Right-of-use asset

	September 30 2021	December 31 2020
Costs		
Balance - beginning of period	$ 121,743	$ 121,743
Office lease terminated on July 31	(121,743)	-
Office lease commensed on August 1	70,056	-
Balance - end of period	70,056	121,743
Accumulated depreciation		
Balance - beginning of period	93,443	44,586
Office lease terminated on July 31	(121,743)	-
Depreciation		
To September 30	32,192	36,642
Remainder of period	-	12,215
Balance - end of period	3,892	93,443
Net book value - end of period	$ 66,164	$ 28,300

Lease obligations

	September 30 2021	September 30 2020
Balance - beginning of period	$ 32,450	$ 82,803
Office lease commensed on August 1	70,056	-
Interest expense (note 15)	4,147	5,724
Lease payments	(49,587)	(43,482)
Balance - end of period	57,066	45,045
Less current portion (note 8)	26,021	45,045
Long-term portion	$ 31,045	$ -

6 Equipment

Net Book Value	Computers Software and Equipment	Tooling	Treatment Devices	Total
Balance, December 31, 2019	$ 37,030	$ 86,886	$ 209,745	$ 333,661
Acqusitions during period				
To September 30, 2020	2,059		-	2,059
Remainder of year	1		20,993	20,994
Depreciation during period				
To September 30, 2020	8,664	15,624	29,232	53,520
Remainder of year	3,985	4,666	9,197	17,848
Balance, December 31, 2020	26,441	66,596	192,309	285,346
Acqusitions during period	1,753	-	56,013	57,766
Depreciation during period	17,287	9,081	21,710	48,078
Balance, September 30, 2021	$ 10,907	$ 57,515	$ 226,612	$ 295,034
Assets Retired				
Year ended in December 2020	$ 46,133	$ -	$ -	$ 46,133
As at December 31, 2020				
At Cost	$ 51,624	$ 199,308	$ 394,792	$ 645,724
Accumulated depreciation	25,183	132,712	202,483	360,378
Net book value	$ 26,441	$ 66,596	$ 192,309	$ 285,346
As at September 30, 2021				
At Cost	$ 53,377	$ 199,308	$ 450,805	$ 703,490
Accumulated depreciation	42,470	141,793	224,193	408,456
Net book value	$ 10,907	$ 57,515	$ 226,612	$ 295,034

7 Deferred Revenue

Deferred revenue was $220,520 as at September 30, 2021 (December 31, 2020 - $220,520). This deferred revenue includes deposits for delivery of MyndMove devices that are related to a contract to re-engineer, manufacture and deliver modified devices to a research facility, the KITE Research Institute at the University Health Network in Toronto, Canada, which is significantly influenced by a director of the Company (note 11).

8 Current portion of long-term liabilities

	September 30 2021	December 31 2020
Lease obligations (note 5)	$ 26,021	$ 32,450
Federal Economic Development Agency (note 9)	210,000	110,000
Health Technology Exchange (note 9)	17,428	45,604
	$ 253,449	$ 188,054

9 Government loans

	September 30 2021	December 31 2020
Federal Economic Development Agency (FEDA)	$ 409,117	$ 433,188
Health Technology Exchange (HTE)	434,745	346,399
Federal CEBA	26,786	25,025
	870,648	804,612
Less current portion	227,428	155,604
Long term portion	$ 643,220	$ 649,008

Federal Economic Development Agency of Southern Ontario (FEDA) loan

The FEDA loan is unsecured, non-interest bearing and provided initial financing of $919,518. As at September 30, 2021, the principal balance outstanding of this loan is $497,242 (December 31, 2020 – $577,242). On June 1, 2020, the payment terms for this loan were amended. Based on the amended terms, the remaining principal balance is repayable as follows:

	September 30
FEDA Remaining Principal	
Twelve months following	$ 210,000
Thirteen to twenty-four months following	240,000
Therafter	47,242
	$ 497,242

The Company received the loan in tranches based on qualifying expenditures incurred. The Company determined the fair value of the loan based on the estimated future cash flows of the loan using a discount rate of 19.2%. During the nine-month period ended September 31, 2021, the Company recognized $55,929 (2020 – $37,914) of interest and accretion expense on this loan.

The payment terms of the loan were amended on February 19, 2020 and June 1, 2020; in both instances extending the term of repayment. On the amendment date, the loan was revalued using an effective interest rate of 20.1% and 19.2% as at February 19, 2020 and June 1, 2020, respectively. As a result, the Company recognized a gain on debt modification in the amount of $66,212 which is included in changes in fair value expense in the consolidated statements of operations and comprehensive loss.

During the nine-month period ended September 30, 2021, the Company made repayments of $80,000 (2020 - $15,000). Subsequent to period end, the repayment terms were modified (Note 21).

Health Technology Exchange (HTE) loan

The Health Technology Exchange loan is unsecured, bears interest at 3.1% per annum, is repayable based on 10% of certain preceding year gross revenue and provided initial financing of $749,600. As at September 30, 2021, the principal balance outstanding on this loan is $749,600 (December 31, 2020 – $749,600), compared to the actual principal and interest payable of $788,561 (December 31, 2020 - $797,394). The amount of the loan payable in the following year is $17,428 (December 31, 2020, $45,604). During the nine months ended September 30, 2021, the Company made a repayment of $45,604 (September 30, 2020 – $nil) and the Company recognized $17,428 (September 30, 2020 – $17,428) of accretion expense on this loan.

The Company values the HTE loan at fair value at the end of each quarter, based on the estimated future cash flows of the loan using a discount rate of 20.0%. The fair value of this loan is determined to be $434,745 as at September 30, 2021 (December 31, 2020 - $346,399), which resulted in the Company recording an expense of $116,522, included in changes in fair value (note 15), for the nine months ended September 30, 2021, on the consolidated statements of operations and comprehensive loss (September 30, 2020 – income of $19,821).

9 Government loans (Continued)

Federal Canadian Emergency Business Account (CEBA) loan

The Federal CEBA loan is part of the Canadian federal government's support program in response to the COVID-19 pandemic, wherein the Company was able to obtain a $40,000 non-interest-bearing loan due on December 31, 2022. If the Company fully repays the loan by the due date, $10,000 of the loan will be forgiven.

The Company determined the fair value of the loan based on the estimated future cash flows of the loan using a discount rate of 18.8%, which resulted in the Company recording income of $16,265 included in government grants and tax credits on the consolidated statements of comprehensive loss for the nine months ended September 30, 2020. During the nine months ended September 30, 2021 the Company recognized $1,761 (2020 – $729) of accretion expense on this loan.

A reconciliation of the government loans is as follows:

	Nine Months Ended	
	September 30 2021	September 30 2020
Balance - beginning of period	$ 804,612	$ 821,786
Fair value of new Federal CEBA loan	-	23,735
Loan payments	(125,604)	(15,000)
Accretion expense (note 15)	75,118	56,071
Fair value adjustment of government loans (note 15)	116,522	(86,033)
Balance - end of period	870,648	800,559
Less current portion	227,428	155,604
Long term portion	$ 643,220	$ 644,955

10 Convertible debentures

A summary of the movement in convertible debentures is as follows:

	Nine Months Ended	
	September 30 2021	September 30 2020
Balance - beginning of period	$ 1,060,382	$ -
Proceeds received (note11)	-	1,250,000
Embedded derivative	-	(304,234)
Accretion expense (note 15)	157,098	67,959
Balance - end of period	1,217,480	1,013,725
Less current portion	-	-
Long term portion	$ 1,217,480	$ 1,013,725

On May 19, 2020, the Company issued unsecured convertible debentures with a maturity date of December 31, 2022, for an aggregate principal amount of $1,250,000. Interest accrues at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest will convert at a price per security equal to 80% of the price per security issued in the qualified financing. The convertible debenture is recorded at amortized cost using the effective interest rate of 18.4%. The fair value of the conversion option was determined to be $304,236 on issuance using a discount rate of 1%, probability of 95% and expecting timing of a qualified financing of June 2021. As at September 30, 2021, the fair value of the conversion option was determined to be $347,357 using a discount rate of nil%, probability of 100% and expected timing of qualified financing of November 2021.

10 Convertible debentures (Continued)

The convertible debentures and accrued interest may be converted:

- any time before the maturity date, at the option of the holder;
- on the maturity date, at the option of the Company, provided notice thereof is given to the debenture holders at least ten days before the maturity date; and,
- automatically on the earlier of a liquidation event or a qualified financing, as defined in the convertible debenture agreements.

During the period ended September 30, 2021, the warrants related to the warrant liability expired unexercised.

The embedded derivative to the convertible debentures and warrant liabilities are as follows:

	Conversion Option	Warrants	Total
Balance - December 31, 2019	$ -	$ 366,732	$ 366,732
Issuance of new debentures	304,236		304,236
Fair value (gain) or loss	20,495	(347,766)	(327,271)
Balance - December 31, 2020	324,731	18,966	343,697
Fair value (gain) or loss	22,626	(18,966)	3,660
Balance - September 30, 2021	$ 347,357	$ -	$ 347,357

11 Related party transactions

During the period, the Company recognized treatment revenues from LBB Applied Technology Inc., a shareholder of the Company that is entitled to nominate one director to the Board. These transactions were made in the normal course of business.

The Company has a shareholder and director, Dr. Milos Popovic, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement (note 18), requiring the semi-annual payment of licensing fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

$900,000 of the Company's convertible debenture (note 10) issued on May 19, 2020 were issued to a director and significant shareholder, Mr. Harvey Griggs. These convertible debentures were on the same terms as convertible debentures issued to other parties.

$250,000 of the Company's deposits for future share financings December 31, 2020 liability were received from a director and significant shareholder, Mr. Harvey Griggs

On June 21, 2021, the Company appointed a new CEO, Mr. Craig Leon, at the same salary amount and benefits as the former CEO. The former CEO, Mr. Steve Plymale, cooperated with the Company in executing a termination arrangement that confirmed a concurrent severance payment of $255,816, including benefits, and signed a transitional services agreement with the Company for a minimum of $48,750 over a three-month period and a maximum amount of $97,500 over a six-month period. The new CEO was granted 600,000 options, with a Black-Scholes value of $284,371, and the former CEO forfeited 397,608 options, with a Black-Scholes value of $345,919 calculated on their issue date in the year ended December 31, 2017.

11 Related party transactions (Continued)

A summary of the Company's related party transactions follows:

	September 30 2021	September 30 2020
Revenue during the nine month period		
Treatment revenues	$ 69,629	$ 71,924
Sale of devices	-	-
	$ 69,629	$ 71,924
Expenses during the nine month period		
Compensation, principly to senior officers, the balance to directors		
Share-based	$ 84,905	$ 77,422
Salaries and fees	750,197	366,072
License fees	8,018	6,300
R&D services	197,852	23,115
	$ 1,040,972	$ 472,909
Assets - end of the period		
Accounts receivable for treatment revenues	$ 7,627	$ -
Liabilities - end of the period		
Due to director for pre-2019 compensation	$ 75,000	$ 75,000
License fees payable	$ 8,018	$ 6,300
Deferred revenue	$ 220,520	$ 220,520

12 Share capital, warrants and stock options

The following is a continuity of equity units for the periods ended September 30, 2021, September 30, 2020 and December 31, 2020:

	Common Shares	Warrants	Stock Options	Total
Balance, December 31, 2019	**15,636,398**	**2,240,491**	**1,090,858**	**18,967,747**
Exercise of rights	94,339	(94,339)	-	-
Balance, September 30, 2020	**15,730,737**	**2,146,152**	**1,090,858**	**18,967,747**
Rights forfeited or expired	-	-	(83,000)	(83,000)
Balance, December 31, 2020	**15,730,737**	**2,146,152**	**1,007,858**	**18,884,747**
Rights forfeited or expired	-	(2,146,152)	(610,358)	(2,756,510)
Share subscription	1,369,059	1,259,535	-	2,628,594
Options issued	-	-	600,000	600,000
Balance, September 30, 2021	**17,099,796**	**1,259,535**	**997,500**	**19,356,831**

12 Share capital, warrants and stock options (Continued)

Share capital and warrants

The Company is authorized to issue an unlimited number of common shares.

On September 30, 2021, the Company had 1,259,535 of fully vested warrants outstanding, exercisable into one common share per warrant at an exercise price of $1.06, that expire on May 3, 2023.

On September 30, 2021, the Company had 997,500 options outstanding, with a weighted average exercise price of $0.99 and weighted average remaining life of 7.52 years. 412,500 of the 997,500 options are fully vested.

Initial private financing transaction

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023.

- $285,183 of the proceeds less share issue costs were allocated to the value of the warrants, based on a Black Scholes valuation with an exercise price of $1.06; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 2-year life for the warrants; and, a risk-free interest rate of 1.41%.
- $375,000 of the proceeds were received by December 31, 2020, and are recorded in Company's December 31, 2020 consolidated statement of financial position as deposits for future share financings.
- $59,134 of share issue costs were incurred in respect of these financings, of which $45,785 was recorded in the December 31, 2020 consolidated statement of financial position as part of prepaid expenses and deposits.

On February 11, 2020, 94,339 common shares were issued upon the exercise of 94,339 warrants for cash consideration of $100,000 and $23,401 of fair value transferred from contributed surplus, for a total value of $123,401 added to share capital.

Share-based compensation

The summary of the change in outstanding options is presented in the above schedule of equity units.

On June 21, 2021, 500,000 options were granted (note 11) with a fair value of $236,976, based on a Black Scholes valuation with an exercise price of $1.00; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 7-year life for the options; and, a risk-free interest rate of 1.41%. 125,000 of the options vest on June 21, 2022, and the remainder vest equally each month over the following 36 months, commencing July 21, 2022.

On August 15, 2021, 100,000 options were granted (note 11) with a fair value of $47,395, based on a Black Scholes valuation with an exercise price of $1.00; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 7-year life for the options; and, a risk-free interest rate of 1.41%. All of these options vested on the date issued.

Share-based compensation expense recorded in the unaudited condensed interim consolidated statement of comprehensive loss was $86,347 for the nine months ended September 30, 2021 (2020 – $79,812). Forfeitures included in this expense were $22,043 for the nine months ended September 30, 2021 (2020 - $nil).

13 Breakdown of operating expenses by nature

	2021	2020
Salaries and benefits (note 14)	$ 554,205	$ 383,079
Accounting, legal and professional fees	250,358	260,199
Technology expense	44,615	59,891
Additional rent	22,050	39,478
Insurance	27,439	18,466
Travel	-	24,992
Other expenses	31,139	26,568
Total general and administration expenses	$ 929,806	$ 812,673
Salaries and benefits (note 14)	$ 268,341	$ 317,285
Patent expenses	46,465	34,585
Other development expenses	289,285	98,562
Total research and development expenses	$ 604,091	$ 450,432

14 Salaries and benefits

	2021	2020
General and administration (note13)	$ 554,205	$ 383,079
Research and development (note 13)	268,341	317,285
Selling and marketing	51,565	175,957
Clinical trial (note 17)	65,170	66,672
	$ 939,281	$ 942,993

15 Interest and accretion expense and changes in fair value

Interest and accretion expense	**2021**	**2020**
Accretion expense		
FEDA loan (note 9)	$ 55,929	$ 37,914
CEBA loan (note 9)	1,761	729
HTE loan (note 9)	17,428	17,428
Total for government loans	75,118	56,071
Lease obligations (note 5)	4,147	5,724
Convertible debentures (note 10)	157,098	67,959
Total accretion expense	236,363	129,754
Short term interest	(577)	234
Total interest and accretion expense	$ 235,786	$ 129,988

Changes in fair value	**2021**	**2020**
Government loan - FEDA	-	(66,212)
Government loan - HTE	116,522	(19,821)
Total for government loans (note 9)	116,522	(86,033)
Convertible debenture conversion liabilities (note 10)	22,626	12,000
Warrant liabilities (note 10)	(18,966)	(260,823)
Total change in fair value	$ 120,182	$ (334,856)

16 Government grants and tax credits

	2021	**2020**
SR&ED Claims	$ 230,945	$ 256,382
TWS and CEWS subsidies	-	161,928
Gain on Federal CEBA Loan (note 9)	-	16,265
	$ 230,945	$ 434,575

Scientific research and experimental development tax credits

The Company periodically makes claims for SR&ED deductions and related expenses for income tax purposes, based on management's interpretation of the applicable legislation in the Income Tax Act (Canada). The Company has not recorded the benefit of any SR&ED claims related to the nine-month period ended September 30, 2021.

Federal COVID-19 pandemic subsidies

During 2020, the Company received amounts from the federal government's Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA) programs.

17 Clinical trial

The Company is party to an arrangement funded by the United States Department of Defense, for a total amount of $2,000,000 US, wherein the Company is responsible to manage a clinical trial of its MyndMove device. The Company has no obligation as to the outcome of this trial and is eligible to recover all costs of the participating clinics and supervising clinic, once the respective funds have first been received from the US Federal Government.

The Company's direct costs related to this trial are contractually fully recoverable, although there are small discretionary amounts incurred by the Company that may not be, such that the Company expects to achieve a small net expense each month, which may vary between accounting periods, on this arrangement.

18 Commitments and contingencies

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize certain intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net revenues from these stimulators ("net sales") used by health clinics to treat motor dysfunction, as follows:

- 0% on the first $1,000,000 of cumulative net sales;
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000; and,
- 1% on the cumulative net sales exceeding $7,500,000.

The amount of these fees for the nine months ended September 30, 2021 and 2020 are disclosed in Note 11.

On May 15, 2020, the Company signed a financial advisory agreement, which included a monthly retainer of $15,000 per month for a six-month term. If a private financing transaction is completed during the term or during the following twelve-month period, which is not Company investor led, additional success fees are payable based on a percentage of the amount raised:

- No qualified private financing transaction was completed in the six-month period commencing May 15, 2020; and,
- Management believes that the private placement transactions completed on May 3, 2021 (note 12) and in-process on the date hereof (note 21) are Company investor led and are not subject to a success fee under the financial advisory agreement.

The Company is committed to retention bonuses for four employees, in the total amount of $70,500, that are payable on December 31, 2021, provided such employees are still employed by the Company on that date.

On June 23, 2021, the Company entered into an agreement with the Company's former Chief Executive Officer to acquire transition services. The remaining commitment is a minimum total of $48,750 over the three-month period ending December 31, 2021.

The Company's lease commitment is disclosed in Notes 5 and 20.

19 Segmented information

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource decisions and to assess performance. The CODM is the Chief Executive Officer.

The Company has revenues from sales in Canada and from Canada to the United States and has one operating segment which includes income related to its MyndMove device and a variation of that device, called MyndSearch, which has been modified for research purposes. The two types of revenue that are earned from MyndMove include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove or MyndSearch devices to clinics or research institutions and the sale of treatment supplies.

19 Segmented information (Continued)

All treatment devices are located in Canada except for two devices in the United States, and the 2021 sale of one device occurred in the US. Revenues by geographical location and gross margin by services and products delivered in the nine-month periods ending September 3, 2021 and 2020 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue by geographic location of customers				
Canada	$ 25,900	$ 17,345	$ 85,198	$ 44,057
United States	68,768	23,914	115,462	72,424
	$ 94,668	$ -	$ 200,660	$ 116,481
Revenue by services and products delivered				
Treatment fees	$ 48,769	$ 41,014	$ 154,629	$ 115,723
Product sales	45,833	157	45,833	157
Other	66	88	198	601
	$ 94,668	$ 41,259	$ 200,660	$ 116,481

20 Financial instruments and risk management

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables. As of September 30, 2021, the Company had $47,684 in overdue trade and other receivables (December 31, 2020 – $4,576).

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

20 Financial instruments and risk management (continued)

The Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2021:

	Payments Due			
	Less than 1 year	2 - 3 years	After 3 years	Total
Trade and other payables	$ 1,822,249	$ -	$ -	$1,822,249
Office lease - base rent and common area	55,278	93,944		149,222
Government loans - principal	227,428	417,242	632,172	1,276,842
Convertible debentures - principal	-	1,250,000	-	1,250,000
	$ 2,104,955	$ 1,761,186	$ 632,172	$ 4,498,313

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. A 1% change in the foreign exchange rates would result in a $938 impact to the unaudited condensed interim consolidated financial statements.
- **Interest rate risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at September 30, 2021 and December 30, 2020, because all of its indebtedness is at fixed rates.
- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at September 30, 2021 and December 31, 2020.

Fair values

The carrying values of cash, trade and other receivables excluding HST, trade and other payables excluding HST, and lease obligations are considered representative of their respective fair values due to the short-term period to maturity. The convertible debentures and government loans approximate their fair value as the interest and discount rates are consistent with the current rates offered by the Company for its loans with similar terms. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

20 Financial instruments and risk management (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the period, there were no transfers of amounts between levels. The fair value of the derivative and warrant liabilities and HTE government loan are determined using level 3 inputs.

	Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value**
Derivative liabilities	Probability weighted discounted cash flow (note 10)	- Discount rate - Expected timing and probability of qualified transaction	An increase in the probably or earlier expected date of Qualified Financing would increase the fair value of the derivative liability.
Warrant liabilities	Black Scholes (note 12)	- Share price - Volatility	An increase in share price or volatility would increase the fair value of the warrant liabilities.
HTC government loan	Discounted cash flows (note 9)	- Discount rate - Expected timing of repayments based on revenue forecast	An increase revenue growth or decrease in discount rate would increase the fair value of the HTC government loan.

21 Subsequent events

Secondary private financing transaction

On December 10, 2021, the Company completed a secondary private financing, in three closings, for a total of $2,954,302, of which $590,861 was received by the Company and the balance remains in escrow. The subscribers received 2,954,302 subscription receipt units, in the expectation that these will be exchanged for 2,954,302 common shares of the Company and 2,954,302 warrants to acquires common share of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipt units are exchanged.

The exchange of the subscription receipts into common shares and warrants is conditional on the Company obtaining conditional listing approval and be trading on a stock exchange in Canada by February 28, 2022. In the event that a listing with the CSE is not obtained by that time, the funds in escrow may be returned to the subscribers, at the option of the subscribers, and the subscribers may receive $590,861 plus accumulated interest in convertible debentures of the Company.

As at September 30, 2021, $121,778 of share issue costs related to this transaction had been incurred and are recorded in prepaid expenses and deposits in the Company's unaudited condensed interim consolidated statement of financial position.

Canadian Securities Exchange listing (CSE)

On October 12, 2021, the Company submitted a preliminary non-offering prospectus to the Ontario Securities Commission and a listing application to the CSE to become a listed company on the CSE. On conditional listing approval of this application, by the CSE:

- the Company's outstanding convertible debentures and accumulated interest (note 10), as of the date that the listing is approved, will be converted into subscription receipt units at $0.80 per subscription receipt unit; and thereafter,
- the Company will exchange each share subscription receipt into one (1) common share and (1) warrant at $1.00 that will expire sixty months following the date of such approval.

21 Subsequent events (Continued)

If the listing application is unsuccessful, the Company's convertible securities will not be converted into subscription receipt units; the $590,681 received by the Company will be converted into convertible debentures; and, the escrowed funds and accumulated interest will be returned, by the Escrow Agent, to the Subscribers.

As at September 30, 2021, $779,780 of costs related to this listing application had been incurred and are recorded as public listing costs in the Company's unaudited condensed interim consolidated statement of comprehensive loss.

FEDA Loan Amendment

On December 3, 2021, the Company's repayment schedule for its FEDA indebtedness was amended as follows:

FEDA Remaining Principal	Original	Revised
2021	30,000	30,000
2022	240,000	60,000
2023	227,242	120,000
2024		240,000
2025		47,242
	497,242	497,242

Deferred Payment Plan

On December 31, 2021, the Company entered into an agreement with a supplier that is not a related party. The agreement was made in settlement for amounts outstanding for services provided through to January 24, 2022. The agreement requires a commitment for payment as follows: i) $579,208 due on completion of a public offering expected on or around January 24, 2022, ii) $42,500 to be paid $2,500 per month beginning February 1, 2022 through to June 1, 2023, and iii) $296,500 due and payable on June 30, 2023. In the event the Company closes a private placement or public offering, the Company is required to pay down the outstanding balance as follows: i) if the offering is less than $3 million, the payment will be 5% of the proceeds; ii) if the offering is $3 million or more, the payment will be for the outstanding balance. Interest will accrue on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest will be waived.

MyndTec Inc.
Management's Discussion and Analysis For the Year Ended December 31, 2020
Expressed in Canadian Dollars
Dated: February 11, 2022

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of MyndTec Inc. ("**MyndTec**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2020, together with the notes thereto and in conjunction with the Company's Prospectus dated February 11, 2022. Information contained herein is presented as at February 11, 2022, unless otherwise indicated.

Description of Business

The Company was incorporated under the *Business Corporations Act* (Ontario) and its head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9.

The Company is privately held, founded in 2008, and is dedicated to the development and commercialization of innovative products that improve function, maximize independence and enhance the quality of life for individuals who have suffered injury to the central nervous system as a result of stroke, spinal cord injuries ("**SCI**") and traumatic brain injury ("**TBI**"). The Company develops non-invasive neuro and nervous system electrical stimulation therapeutics for the treatment of neurological diseases specifically targeted to markets with large, growing, global patient populations.

The Company has revenues from sales in Canada and from Canada to the United States and has one operating segment which includes income related to its MyndMove™ **("MyndMove")** device and a variation of that device, called MyndSearch that has been modified for research purposes. The two types of revenue that are earned from MyndMove include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove or MyndSearch devices to clinics or research institutions and the sale of treatment supplies.

MyndMove

The Company's first product, MyndMove therapy, is a patented and proprietary functional electrical stimulator coupled with proprietary treatment protocols that integrate neuro stimulation with a rapidly growing cloud-connected database. MyndMove is an FDA and Health Canada approved product that restores voluntary movement to stroke and SCI patients and is currently marketed in Canada under a medical device license issued by Health Canada (License No: 93158) and also commercially available in the US under a 510(k) FDA clearance (K170564). MyndMove applies advanced principles of neuroplasticity and functional electrical stimulation to assist patients with paralysisof the arm and hand to make lasting gains in the recovery of natural, voluntary movement. MyndMove's first indications are for paralysis caused by stroke and spinal cord injury.

The Company is continuing to develop additional applications designed to address a broader scope of paralysis including lower limb and trunk applications for walking, standing and sitting.

In Canada and the United States, the Company loans on a service fee basis and sells MyndMove directly to clinics and institutions. Our operations in Mississauga provide dedicated customer service aswell as access to technical service personnel and clinical consults.

Business Overview and Highlights

Deferred Payment Plan

On December 31, 2021, the Company entered into an agreement with a supplier that is not a related party. The agreement was made in settlement for amounts outstanding for services to be provided through to January 24, 2022. The agreement requires a commitment for payment as follows: i) $579,208 due on completion of a public offering expected on or around January 24, 2022, ii) $42,500 to be paid $2,500 per month beginning February 1, 2022 through to June 1, 2023, and iii) $296,500 due and payable on June 30, 2023. In the event the Company closes a private placement or public offering, the Company is required to pay down the outstanding balance as follows: i) if the offering is less than $3 million, the payment will be 5% of the proceeds; ii) if the offering is $3 million or more, the payment will be for the outstanding balance. Interest will accrue on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest will be waived.

Secondary private financing transaction

On December 10, 2021 the Company completed a secondary private financing, in three Closings, for a total of $2,954,302 of which $590,861 was received by the company and the balance remains in escrow. The subscribers received 2,954,302 subscription receipts units, in the expectation that these will be exchanged for 2,954,302 common shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipt units are exchanged.

The exchange of the subscription receipts units into common shares and warrants is conditional on the Company obtaining conditional listing approval and be trading on a stock exchange in Canada by February 28, 2022. In the event that a listing is not obtained by that time, the funds in escrow will be returned to the subscribers and the subscribers will receive $590,861 plus accumulated interest in convertible debentures of the Company.

As at September 30, 2021, $121,778 of share issue costs related to this transaction had been incurred and are recorded in prepaid expenses and deposits in the Company's unaudited consolidated statement of financial position.

Canadian Securities Exchange listing (CSE)

On October 12, 2021 the Company submitted a non-offering prospectus to the Ontario Securities Commission and a listing application to the CSE to become a listed company on the CSE. On conditional listing approval of this application, by the CSE:

- the Company's outstanding convertible debentures and accumulated interest, as of the date that the listing is approved, will be converted into subscription receipt units at $0.80 per subscription receipt unit; and thereafter,
- the Company will exchange each share subscription receipt into one (1) common share and (1) warrant at $1.00 that will expire sixty months following the date of such approval.

If the listing application is unsuccessful, the Company's convertible securities will not be converted into subscription receipts; the $590,861 received by the Company will be converted into convertible debentures; and, the escrowed funds and accumulated interest will be returned, by the Escrow Agent, to the Subscribers.

Distribution agreement

On September 29, 2021 the Company signed a new distribution agreement with LBB Applied Technology Inc. (LBB), a shareholder of the Company. LBB operates in the State of Michigan, USA and has extensive relationships with hospitals and hospital groups in the United States.

The former agreement with LBB allowed that company to lease MyndMove devices, similar to the Company's business model in Canada, and the average treatments per month of the two LBB treatment clinics are significantly higher than the average usage of clinics in Canada. Subject to maintaining performance targets, the new distribution agreement grants LBB the exclusive rights to market MyndMove devices in the State of Michigan and to selective hospital groups in the United States.

Scientific Research and Experimental Development (SR&ED) claim

On July 31, 2021, the Company received and recognized as income its $230,945 SR&ED claim for the year ended December 31, 2020.

Initial private financing transaction

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023:

- $285,183 of the proceeds were allocated to the value of the warrants, based on a Black Scholes valuation with an exercise price of $1.06; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 2-year life for the warrants; and, a risk-free interest rate of 1.41%.
- $375,000 of the proceeds were received by December 31, 2020 and are recorded in Company's December 31, 2020 consolidated statement of financial position as deposits for future share financings.
- $59,134 of share issue costs were incurred in respect of these financings, of which $45,785 was recorded in the December 31, 2020 consolidated statement of financial position as part of prepaid expenses and deposits.

Department of Defense Clinical Trial

The Company is currently conducting a post-market clinical trial to further expand its body of clinical outcome data for the MyndMove product. This trial is primarily funded by the SCI Research Program under the United States Department of Defense office of the Congressionally Directed Medical Research Programs, award number W81XWH-16-1-0790. The trial began enrollment of approximately 60 patients in June 2019 and is scheduled to conclude in March 2022. This is a randomized two-arm, parallel group, multicenter, single-blind, controlled trial comparing electrical neuromodulation delivered by MyndMove therapy to intensive upper-limb conventional therapy in the treatment of individuals with moderate to severe motor impairment to their arms and hands from an incomplete, cervical, traumatic SCI.

KITE

On February 26, 2020, the Company entered into a master collaboration agreement, as amended on January 5, 2021 (the "**Master Collaboration Agreement**"), with KITE, the research arm of the Toronto Rehabilitation Institute and one of the principal research institutes at the University Health Network ("**UHN**"). KITE's expertise includes injury prevention, restoration of function following injury or illness, enhanced participation and independent living. Pursuant to the Master Collaboration Agreement, the Company works directly with KITE to develop new treatments, devices and products as well as gathering evidence that guides changes to policy and public opinion that improve the lives of people living with the effects of disability, illness and aging. Currently, the Company and KITE are collaborating on an improvement to MyndMove™ to support the addition of protocols related to the treatment of lower limbs with a focus on regaining the ability to walk independently. This collaboration includes development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions.

Expressed in Canadian Dollars

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. The Company will continue to focus our research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionality of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. Once the Company is publicly listed, it will no longer qualify for cash refundable SR&ED credits.

Business Objectives and Milestones

The Company launched MyndMove to hospitals and rehabilitation centers in the United States in the fourth quarter of 2021, primarily through distributors although one direct sale of a device, in the amount of $36,000 US, occurred in July, 2021.

The Company's immediate business objective is to expand its product revenues through its distribution partner, LBB Applied Technology, LLC ("LBB" or "Life Beyond Barriers") in Michigan, USA, which has been using MyndMove in their 2 clinics for two years and has the highest utilization rates of all MyndMove clinics. The Company is working to secure other distributors in the United States and other partnerships in Asia, for sale or licensing of its MyndMove product.

Longer term, the Company's business objective is to further expand the placement of MyndMove™ systems and establish and/or increase the number of treatments in Canada, the United States of America, Asia and Europe. To support these efforts the company will be using distribution partners and sales agents in the identified countries. As noted above, this process has already started with the signing of Life Beyond Barriers for distribution in the US starting with the State of Michigan. The company also has a sales agreement with the Maness Veteran Medical to sell to US Veteran hospitals now that the company is on the approved Federal Supply Schedule (FSS) for VA hospitals.

To accomplish its objectives, the Company intends to achieve the following milestones within the next 12 months:

	Milestone	Estimated		Amount Spent ($)	Amount Remaining
		Completion Date (Qtr,Year)	Amount ($)		
1	Establish MyndMove™ marketing and sales outside of the United States of America	Q1, 2021	25,000	10,000	15,000
2	Expand and enhance the intellectual property portfolio	Q2, 2022	25,000	0	25,000
3	Complete clinical and technical improvements for MyndMove™	Q2, 2022	20,000	0	20,000
4	Development to expand MyndMove™ Indications	Q3, 2022	75,000	0	75,000
	Total		145,000	10,000	135,000

Notes to Milestones Table:

(1) The Company is in the early stages of establishing distribution partnership opportunities in Asia and has signed the Non-Binding Term Sheet for the distribution of MyndMove™ in Singapore and Malaysia. Negotiations are currently ongoing to reach a final distribution agreement. The Company will incur costs for product evaluations and clinical demonstrations.

(2) The Company will review and identify opportunities to file provisional patent applications and develop trade secrets and expertise directed at novel approaches to stimulating muscles in the lower body.

(3) The Company will identify new protocols with a view to improving the ease of use of the device for therapists through software improvements, and leading to faster set-up times; treatment optimization of treatment protocols; and more robust patient data, capturing and reporting of treatment outcomes.

Expressed in Canadian Dollars

(4) The Company is developing the hardware and software to allow the MyndMove™ device to treat lower body paralysis. This is being done in conjunction with Kite / UHN as part of our Master Collaboration Agreement, whereby device is being developed to provide higher levels of stimulation for the larger muscle groups in the lower body and new protocols are being developed to work with the lower body muscles.

Research and Development Activities

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. The Company will continue to focus its research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionalities of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. Once the Company is publicly listed, it will no longer qualify for cash refundable SR&ED credits.

Treatment for the Lower Body
The Company and KITE are collaborating on an improvement to MyndMove™ to support the addition of protocols related to the treatment of lower limbs with a focus on regaining the ability to walk independently. This collaboration includes the development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions (see Milestone 4). The target of this is to develop protocols that retrain walking for patients with paralysis due to stroke or spinal cord injury.

Improvements to MyndMove™
The company is continuously improving the functionality of the device in response to user feedback. Some of this development work is done internally, otherwise 3rd party development groups are utilized. For example, improvements to our software are in collaboration with Prolucid Technologies. Improvements to the hardware is being done in collaboration with RMF Design and Manufacturing, all in conjunction with KITE and other development partners see Milestone 3).

The following selected financial information is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Annual Information

	Year Ended Dec. 31, 2020 $	Year Ended Dec. 31, 2019 $
Total assets	1,654,591	1,498,254
Current liabilities	1,052,486	922,037
Non-current liabilities	2,428,087	1,102,745
Working capital	288,459	165,399
Revenue	162,634	311,447
Gross Margin	67,044	109,023
Expenses	1,561,542	1,957,387
Comprehensive loss	(1,494,498)	(1,848,364)
Net loss per share, basic and diluted	(0.10)	(0.13)

Year Ended December 31, 2020 vs December 31, 2019 ($)

	Year Ended		Three Months Ended	
	2020	**2019**	**2020**	**2019**
Revenue	**162,634**	311,447	**46,153**	**176,933**
Cost of sales	**95,590**	202,424	**29,072**	**126,583**
Gross Margin	**67,044**	109,023	**17,081**	**50,350**
Expenses				
General and administration	**1,104,795**	926,865	**292,122**	**297,038**
Research and development	**556,624**	519,660	**106,192**	**132,185**
Quality and regulatory assurance	**49,266**	90,244	**8,941**	**23,797**
Selling and marketing	**291,823**	352,556	**68,314**	**109,358**
Share-based compensation	**95,044**	205,776	**15,232**	**51,444**
Interest and accretion expense	**228,292**	288,057	**98,304**	**72,014**
Depreciation and amortization	**120,225**	119,247	**30,063**	**38,759**
Clinical trial	**(15,966)**	86,061	**5,304**	**19,432**
Changes in fair value	**(433,986)**	(399,166)	**(99,130)**	**13,521**
Government grants and tax credits	**(434,575)**	(231,913)	**-**	**(231,913)**
Total operating expenses	**1,561,542**	1,957,387	**525,342**	**525,635**
Comprehensive Loss	**(1,494,498)**	(1,848,364)	**(508,261)**	**(475,285)**

Summary of Quarterly Results

	$'000			
For the Three Months Ended	**31-Mar 2020**	**30-Jun 2020**	**30-Sep 2020**	**31-Dec 2020**
Total Assets	1,545	2,203	1,494	1,655
Revenue for the Period	44	31	41	47
Loss for the period	(360)	(151)	(475)	(508)
Loss per share	(0.02)	(0.01)	(0.03)	(0.04)

Commentary respecting the year ended December 31, 2020

Comprehensive Loss

For the year ended December 31, 2020 the Company reported a net loss and comprehensive loss of $1,494,498 compared with a net loss and comprehensive loss of $1,848,364 during the year ended December 31, 2019. The decline in the loss for the year ended December 31, 2020 as compared with the net loss for the year ended December 31, 2019 is primarily driven by lower share-based compensation expenses, government COVID-19 grants and clinical trial cost recoveries; that are offsetby new costs in the US subsidiary, included in general and administration. The Company closed its US subsidiary's office in November 2020; the responsibilities for which have or will be taken on by the Company's US distributors or Canadian staff. This change was coincident with a new distribution strategy to reach the US healthcare market, which focuses on scalable efficiency and cost control opportunities when and where possible. The US subsidiary will continue to support regulatory and licensing matters in the United States and will be re-staffed when the number of US Distributors makes direct support more appropriate.

Expressed in Canadian Dollars

Revenue

Revenue declined to $162,634 for the year ended December 31, 2020 from $311,447 for the year ended December 31, 2019, with gross margins of 41% and 35%, respectively. The decline in sales revenue was attributed to COVID-19 driven changes in institutional and private healthcare delivery experienced during the pandemic. Furthermore, in fiscal 2019, the Company recognized $129,669 in device sales (2020, $nil) that have a diminished margin compared to treatment revenues, resulting in a lower overall gross margin in the comparative year. During the year ended December 31, 2020, the Company's revenue was derived 41% from Canadian customers and 59% from the United States based customers, compared to 81% Canadian and 19% from the United States in the comparative 12 months ended December 31, 2019.

Not only did the COVID-19 pandemic negatively impact 2020 revenues, but it also made marketing efforts very difficult with no access to hospitals or clinics and no travel into the USA. This severely undermined the Company's financial resources, resulting in the need for the May 2021 private financing transaction, with existing shareholders.

Following are the Company's treatment statistics for 2020, compared to 2019:

	Year Ended December 31,		Three Months Ended December 31,	
	2020	**2019**	**2020**	**2019**
Average per month - Canada				
Clinics	11.0	9.0	12.0	11.0
Devices	11.0	11.0	13.0	13.0
Treatments	118.6	93.4	151.0	147.0
Treatments per clinic	10.8	10.4	12.6	13.4
Average per month - US				
Clinics	2.0	1.3	2.0	2.0
Devices	2.0	1.3	2.0	2.0
Treatments	88.7	123.6	99.0	143.0
Treatments per clinic	44.3	92.7	49.5	71.5

Expenses

Total operating expenses declined by $395,845; from $1,957,387 in 2019 to $1,561,542 in 2020.

General and administration expense increased to $1,104,795 from $926,865. The increase of $177,930 was primarily a result of: an increase of $152,522 in professional fees, inclusive $90,000 paid to a financial advisory firm to find financing sources for the Company and accounting and legal costs as the Company restructured its approach to USA markets; an increase of $65,084 in salaries and benefits, reflective of the termination of an executive assistant in 2020 offset by staffing additions in USA operations; which are, offset by $39,676 of other cost reductions, primarily related to fewer activities due to COVID-19 and a reversal of a 2019 bad debts provision.

Research and development expenses increased by $36,964 from $519,660 in fiscal 2019 to $556,624 in fiscal 2020, as the Company completed its development of MyndMove 2.0, (receiving Heath Canada certification in August 2021), and commenced development on MyndMove 3.0.

Quality and regulatory assurance declined to $49,266 for the year ended December 31, 2020 from $90,244 for the year ended December 31, 2019. During fiscal 2020, in part due to restrictions imposed by governments in response to the COVID-19 pandemic, the Company moved much of this process online, reducing costs and ultimately improving efficiency.

Selling and marketing expenses declined from $352,556 during the year ended December 31, 2019 to $291,823 during the year ended December 31, 2020. During fiscal 2019, a $42,000 marketing research project was undertaken, where fiscal 2020 saw no similar initiative. Furthermore, fiscal 2020 saw staffing reductions in this department, with many tasks being fulfilled by the remaining complement.

Share-based compensation declined to $95,044 during the year ended December 31, 2020 from $205,776 for the year ended December 31, 2019, driven by the graded vesting of options granted in fiscal 2019.

Clinical trials expense declined from $86,061 for the year ended December 31, 2019 to a recovery of $15,996 for the year ended December 31, 2020. A series of clinical trials were undertaken and concluded in fiscal 2019, with an associated recovery of costs being recognized in fiscal 2020.

The Company recognized a gain of $433,986 in relation to fair value adjustments to the Company's debt, contrasted with a gain of $399,166 recognized during the comparative year ended December 31, 2019. This income is accreted in accordance with IFRS accounting policies and is non-cash related.

The Company periodically makes claims for SR&ED deductions and related expenses for income tax purposes, based on management's interpretation of the applicable legislation in the Income Tax Act (Canada). During the year ended December 31, 2020, the Company received and recognized SR&ED claims of $256,382 compared to $231,913 for the year ended December 31, 2019. Additionally, during 2020, the Company recorded income from the federal government's Temporary Wage Subsidy (TWS), Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA) programs amounting to $178,193. There were no such amounts received in fiscal 2019.

Commentary respecting the three-month Period ended December 31, 2020

Comprehensive Loss
For the quarter ended December 31, 2020 the Company reported a comprehensive loss of $508,261 compared with a comprehensive loss of $475,285 during the quarter ended December 31, 2019. The $32,976 increase in the loss for 2020 as compared to 2019 includes a $33,269 reduction in gross margins; a $25,993 reduction in research and development costs; a $14,856 reduction in quality and regulatory assurance costs; a $41,044 reduction in marketing expenses; a $36,212 reduction in share-based compensation; a $26,290 increase in interest expenses; a $112,651 reduction in fair value adjustment expenses and a $231,913 increase in Government grant recoveries.

Revenue
Revenues decreased $130,780, from 2019 to 2020, of which the sale of five devices in the 2019 quarter accounted for $129,669. The sale of MyndTec devices and occurs randomly, depending on the research activities at KITE and there is no historical pattern for this business. Gross margin rates for these sales are directly related to the respective costs of production and are significantly lower that margin rates for fee revenues.

Fee revenues are charge to Clinics for their usage of Company devices that are on loan to the Clinics. Monthly fees are charged on a fee per treatment basis in Canada and on a fee per device for the two devices in the US. Current plans are for future US revenues to be primarily fee per treatment based.

Expenses
Total operating expenses increased by $8,570; from $516,772 in 2019 to $508,261 in 2020

Reductions in research and development and quality and regulatory assurance, which totaled $40,849, are indicative of the timing of R&D activities and regulatory certifications. There were no significant differences in ongoing staffing and administrative costs in those two areas for the respective periods.

The $41,044 reduction in marketing expenses is reflective of one-time recruitment and systems set-up costs incurred in 2019.

The $36,212 reduction in share-based compensation is a result of option forfeitures that occurred in the three months ended December 31, 2020.

The $26,290 increase in interest expenses in 2020, compared to 2019, arises because there were no convertible debentures outstanding during the fourth quarter of 2019.

The $112,651 reduction in fair value adjustment expenses is a result of the reducing likelihood of warrant derivative liabilities being exercised as the date of the financial statements approaches the April 30, 2021 expiration date of the warrants.

Expressed in Canadian Dollars

The government grant in the fourth quarter of 2019 is the Company's SR&ED claim for 2017 and 2016, whereas the 2019 SR&ED claim was received in the second quarter of 2020. There was no claim for 2018.

Disclosure of Outstanding Security Data

The Company is authorized to issue an unlimited number of common shares. The table below lists the securities outstanding as at February 11, 2022:

Description	Outstanding as at February 11, 2022
Common Shares	17,099,796
Common Share Purchase Warrants	1,259,535
Convertible Debentures	$1,421,310
Options	987,500
Subscription Receipt Units	2,954,302

Liquidity and Capital Resources

Funding History
The Company had a working capital of $288,459 as at December 31, 2020 (December 31, 2019 – $165,399); and cash and cash equivalent balance of $668,580 (December 31, 2019 - $416,107). The Company raised additional working capital since December 31, 2020, as described on page 2 of this Management Discussion and Analysis, as a result of the initial private financing transaction. The Company is not subject to any externally imposed capital requirements.

On May 19, 2020, the Company issued unsecured convertible debentures with a maturity date of December 31, 2022 in an aggregate principal amount of $1,250,000 (2019 – $nil). Interest accrues at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest convert at a price per security equal to 80%of the price per security issued in the qualified financing.

On February 11, 2020, 94,339 common shares were issued upon the exercise of 94,339 warrants for cash consideration of $100,000 and $23,401 of value transferred from contributed surplus, for a fair value of $123,401 added to share capital.

During the year ended December 31, 2020, the Company became eligible for and received $161,928 in Temporary Wage and Canada Emergency Wage program subsidies.

During the year ended December 31, 2019, the Company closed a common share financing by issuing 2,435,316 common shares for total gross proceeds of $2,240,491 less share issuance costs of $65,350 for net proceeds of $2,175,141. In conjunction with this common share financing, the Company issued 2,240,491 common share warrants with an exercise price of $1.06 and a fair value of $526,049 which has been accounted for as a derivative warrant liability.

During the year ended December 31, 2019, as a result of closing the private placement, the Company issued 5,971,853 common shares for the conversion of convertible debentures. At the date of conversion, the convertible debentures had a carrying value of $3,931,884 and the embedded derivativehad a fair value of $493,438 for a total of $4,425,322.

During the current and comparative periods ended December 31, 2020 and 2019, the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its products, the Company expects cashflow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products and services. The amounts set out above for use as working capital may be used to offset this anticipated negative operating cash flow.

Funding Requirements as at December 31, 2020

As at December 31, 2020 the Company had $668,580 of cash plus $168,539 of accounts receivable, for a total of $837,119 of available funds, and the following obligations due in 2021:

- Trade and other payables, excluding accrued compensation of $75,000 that is indefinitely deferred of $568,912;
- Current long-term liabilities $188,054;
- For a total of $756,966 in short-term obligations.

The net excess of available funds over short-term obligations was $80,153.

At December 31, 2020 the Company had working capital of $288,459.

In 2021 the company has raised the following additional capital:

- $825,399 from the May 19, 2021 private placement, net of $375,000 received as of December 31, 2020 and $59,136 of share issue costs
- $2,954,302 from the December 10, 2021 secondary private placement closings.

Funding Requirements as at September 30, 2021 and the current date

As at September 30, 2021 and the current date, the Company is not anticipating profit from operations in the immediate term, therefore it is dependent on its ability to obtain equity or debt financing, subsequent to December 31, 2022 and before June 2023, The Company may need additional capital and may raise additional funds should management and the board of directors of the Company (the"Board of Directors") deem it advisable.

As at September 30, 2021, the Company had $754,316 of cash plus $153,416 of trade and other receivables for $907,732 of available funds, and the following short-term obligations:

- $1,747,248 of trade and other payables, excluding $75,000 of compensation accrued in 2019 that is indefinitely deferred
- $253,449 of current long-term liabilities
- For a total of $2,000,697 in short-term obligations

There are no capital spending plans for the balance of 2021 or 2022.

The net deficit of short-term obligations, in excess of available funds, was $1,092,965 at September 30, 2021. Included in this deficit are:

- $806,823 of legal fees payable, which will be paid when the escrow funds are received: and,
- $427,481 of advances from the US Department of Defense, which are due in the period from February to August 2022

Since June 22, 2021, the Company has raised the following additional capital:

- $2,954,302 from the June 22, 2021 1st Closing; the July 28, 2021 2nd Closing and December 10, 2021 3rd Closing of the secondary private placement closings, of which $2,363,441 is currently held in escrow until the Company has been listed on the Canadian Securities Exchange.

On December 3, 2021, the Company's re-payment schedule for its FEDA indebtedness was amended such that its total debt repayments for the 15 months ended December 31, 2022 is estimated to be approximately $90,000.

On December 31, 2021, the Company entered into an agreement with a supplier that is not a related party. The agreement was made in settlement for amounts outstanding for services to be provided through to January 24, 2022. The agreement requires a commitment for payment as follows: i) $579,208 due on completion of a public offering expected on or around January 24, 2022, ii) $42,500 to be paid $2,500 per month beginning February 1, 2022 through to June 1, 2022, and iii) $296,500 due and payable on June 30, 2023. In the event the Company closes a private placement or public offering, the Company is required to pay down the outstanding balance as follows: i) if the offering is less than $3 million, the payment will be 5% of the proceeds; ii) if the offering is $3 million or more, the payment will be for the outstanding balance. Interest will accrue on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest will be waived.

On September 30, 2021, the Company had a working capital deficit of $814,090. Currently, Management estimates working capital of approximately $1,348,000 as at January 31, 2022, including the release of escrow funds. This working capital is estimated to sustain the Company's operations until at least March 31, 2023.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Judgments Used in Applying Accounting Policies

The preparation of the consolidated financial statements in conformity with IFRS requires management tto make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- ***Going concern***
  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which might cast significant doubt on the Company's ability to continue as a going concern is required in the notes to the consolidated financial statements. In management's judgement, such disclosure is not required. This judgement is dependent on management's expectation of revenue, future net cash flows for the year ended December 31, 2021, existing working capital and subsequent financing transactions.

During the year ended December 31, 2020, the Company had a net loss from operations and negative cash flows from operating activities. To the extent that the Company has negative operating cash flows in future periods, the Company may need to deploy a portion of its existing working capital and funds raised through subsequent financing transactions to fund such negative cash flow. Based on management's expectations of revenue, future net cash flows for the year ended December 31, 2021, subsequent financing transactions and financial obligations due within the next 12 months, management has applied judgement in determining that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

- ***Trade and other receivables***
  The recognition of trade and other receivables and loss allowances requires the Company to assess credit risk and collectability. The Company has experience minimal credit losses in the past and expects that experience to continue in the near future.

- ***Leases***
  Values of right-of-use assets and lease liabilities require judgment in determining lease terms such as extension options and the incremental borrowing rate applied.

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Cox-Rubenstein Binomial model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Convertible debentures and embedded derivative***
  Convertible debentures are compound financial instruments which are accounted for separately by their components: liabilities, equity and warrants. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment by management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest or liability component. The determination of the fair value of the liability is also based on a number of assumptions including contractual future cash flows, discount rates, and presence of liabilities. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determine the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted fromthe fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (‘‘**FVOCI**’’), or fair value through profit and loss (‘‘**FVTPL**’’). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  A financial asset is measured at amortized cost if it is not designated as at FVTPL; it is held within a business model whose objective is to hold assets to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

  The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

  The Company derecognizes a financial asset when the contractual rights to the cash flowsfrom the financial asset expire or when the contractual rights to those assets are transferred.

- ***Financial liabilities***

  The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument.

  The Company classifies its financial liabilities as either financial liabilities at FVTPL oramortized cost.

  Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in profit or loss.

  The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

- ***Financial liabilities and equity instruments***

  - Classification as debt or equity

    Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

  - Equity instruments

    An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue cost.

  Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- ***Classification of financial instruments***

  The Company classifies its financial assets and liabilities depending on the purpose for whichthe financial instruments were acquired, their characteristics and management intent as outlined below:

  Classifications

Cash and cash equivalents	Amortized cost
Trade and other receivables, excluding HST	Amortized cost
Trade and other payables, excluding HST	Amortized cost
Promissory note	Amortized cost
Derivative and warrant liabilities	FVTPL
Lease obligations	Amortized cost
Convertible debentures	Amortized cost
FEDA and CEBA Government loans	Amortized cost
HTE Government Loan	FVTPL

- ***Impairment of financial assets***

  An expected credit loss ("**ECL**") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Financial Risk Factors

The Company's business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company's share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respectto advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company's documents filed with Canadian securities regulatory authorities; and other factors beyond the Company's control.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Expressed in Canadian Dollars

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2020:

	Payments due			
	Less than 1 year	2 - 3 years	After 3 years	Total
Trade and other payables	$ 643,912	$ -	$ -	$ 643,912
Office lease - base rent and common area	64,885			64,885
Government loans - principal	155,604	859,240	351,998	1,366,842
Convertible debentures - principal	-	1,250,000	-	1,250,000
	$ 864,401	$ 2,109,240	$ 351,998	$ 3,325,639

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. A 1% change in the foreign exchange rates would not result in a $632 impact to the financial statements.

- **Interest rate risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at December 31, 2020 because all of its indebtedness is at fixed rates.

- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at December 31, 2020.

Fair values

The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables, lease obligations, notes payable, convertible debentures and government loans approximate fair values due to the short-term nature of these items or being carried at fair value or, for borrowings, interest payables are close to the current market rates. The risk of material change in fair value is not considered to be significant. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the year, there were no transfers of amounts between levels. The fair value of the derivative and warrant liability are determined using level 3 inputs.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which at December 31, 2020 totaled a deficiency of $1,825,982 (December 31, 2019 – a deficiency of $526,528). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company is not constrained by externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged. during the year ended December 31, 2020.

Commitments and Contingencies

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize the intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction (net sales), as follows:

- 0% on the first $1,000,000 cumulative net sales;
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000; and,
- 1% on the cumulative net sales exceeding $7,500,000.

The amount of these fees of the years ended December 31, 2020 and 2019 are disclosed in Note 12 of the Company's December 31, 2020 audited consolidated financial statements.

On May 15, 2020, the Company signed a financial advisory agreement, which included a monthly retainer of $15,000 per month for a six-month term. If a private financing transaction is completed duringthe term or following twelve-month period, which is not Company investor led, additional success fees are payable based on a percentage of the amount raised:

- No qualified private financing transaction was completed in the six-month period commencing May 15, 2020; and,
- Management believes that the private placement transactions completed on May 3, 2021 and in process on the date hereof are Company investor led and are not subject to a success fee under the financial advisory agreement.

The Company is committed to payment of retention bonuses to four employees, in the total amount of $70,500 that were paid on December 31, 2021.

On June 21, 2021, the Company appointed a new CEO, at the same salary amount and benefits as the former CEO; the former CEO cooperated with the Company in executing a termination arrangement that confirmed a concurrent severance payment of $255,816, including benefits; the former CEO signed a transitional services agreement with the Company for a minimum of $48,750 over a three-month period and a maximum amount of $97,500 over a six-month period; the new CEO was granted 600,000 options, with a Black-Scholes value of $284,371; and the former CEO forfeited 397,608 options, with a Black-Scholes value of $345,919 calculated on their issue date in the year ended December 31, 2017.

The Company's lease commitments are disclosed in Notes 6 and 25 of the Company's December 31, 2020 audited consolidated financial statements.

Related Party Transactions

During the years ended December 31, 2020 and 2019, the Company recognized treatment revenues from LBB Applied Technology Inc., a shareholder of the Company that is entitled to nominate one director to the Board. These transactions were made in the normal course of business on similar termsas provided to third parties.

Expressed in Canadian Dollars

The Company has a shareholder and director, Dr. Milos Popovic, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement, requiring the semi-annual payment of licensing fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

$250,000 of the Company's deposits for future share financings were received from a director and significant shareholder, Mr. Harvey Griggs.

$900,000 of the Company's convertible debenture (note 11) issued on May 19, 2020 were issued to a director and significant shareholder, Mr. Harvey Griggs. These convertible debentures were on the same terms as convertible debentures issued to other parties.

On November 29, 2018, the Company entered into a promissory note in the amount of $150,000 secured against the Company's 2016 and 2017 scientific research and experimental development (SR&ED) claims with an interest rate of 12%. The lender was a shareholder and director, and the promissory note was repaid on March 20, 2019.

During years prior to 2019, the Board approved remuneration of approximately $98,331 to certain directors for services provided to the Company in addition to their role as director. As at December 31,2020, $75,000 of these amounts remain unpaid and are included in trade and other payables.

A summary of the Company's related party transactions follows:

	December 31 2020	December 31 2019	January 1 2019
Income during the year			
Treatment revenues	$ 95,295	$ 59,630	
Sale of MyndMove devices	-	129,669	
	$ 95,295	$ 189,299	
Payments to directors during the year			
Promissory loans and interest repaid during the year	$ -	$ 156,000	
Payments for pre-2019 services	-	25,031	
	$ -	$ 181,031	
Expenses during the year			
Share-based compensation for directors and officers and senior officers	$ 92,198	$ 193,650	
Salaries, fees and benefits for directors and senior officers	517,387	499,923	
Short-term interest on promissory note	-	4,323	
License fees	8,567	-	
R&D services	23,115	-	
	$ 641,267	$ 697,896	
Assets at end of year			
Accounts receivable for treatment revenues	$ 7,638	$ 7,808	
Liabilities at end of year			
Due to director for pre-2019 compensation	$ 75,000	$ 75,000	$ 75,000
License fees payable	$ 8,567	$ -	$ -
Deferred revenue	$ 220,520	$ -	$ 129,669
Promissory notes payable	$ -	$ -	$ 151,677

Related party share-based compensation for the year ending December 31, 2020 includes: $38,425 for Steve Plymale, Director and Chief Executive Officer (2019 - $81,858); $19,632 for Ron Kurtz, Vice President Engineering (2019 - $39,061); and, $34,141 for other Directors (2019 - $72,731).

Related party salaries and fees for the year ending December 31, 2020 includes $288,633 for Steve Plymale, Director and Chief Executive Officer (2019 - $270,535); $180,410 for Ron Kurtz, Vice President Engineering (2019 - $163,576); $36,344 for Scott Franklin, Chief Financial Officer (2019 - $27,812); and, $34,000 for other Directors (2020 - $38,000).

Events Occurring after the Reporting Date

There are no reportable events occurring after the reporting date which are not otherwise included within this document.

COVID-19 Pandemic

The global outbreak of the COVID-19 pandemic continues to be a threat to the global economy. The extent to which the COVID-19 pandemic may continue to impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as, the duration of the outbreak, travel restrictions and social distancing in Canada, the United States and other countries; business closures or business disruptions; and the effectiveness of actions taken by governments around the globe to contain and treat the disease. The measures taken to date have caused material disruptions to businesses globally, resulting in an economic slowdown.

From an operational perspective, the Company's employees and distribution partners, as well as the workforce of vendors, services providers and counterparties with which the Company does business, may also be adversely affected by the COVID-19 pandemic or efforts to mitigate the pandemic, including government-mandated shutdowns, requests or orders for employees to work remotely and other physical distancing measures, which could result in an adverse impact on the Company' ability to conduct its businesses, including its ability to cultivate adoption of the Company's technology.

To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the rate at which agreements for new user sites will be entered into. Despite the COVID-19 pandemic, treatment sessions are continuing and the Company continues to identify potential new user sites. The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

Risks and Uncertainties

Operations of the Company

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of the Company's products, creating the possible obsolescence thereof. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. If such additional capital is raised through the issuance of additional equity, it may result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Directors and Officers

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additionaloption and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The economy remains in a period of volatility, primarily driven by the worldwide impact of COVID-19 and an uncertain socioeconomic and political climate in the United States.Significant volatility is expected in the near to mid-term, the potential impact of which upon the Companyis unknown at this time.

See page 72 of the Company's Prospectus dated February 11, 2022 for a complete list of risk factors as they pertain to the Company.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Forward Looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company's business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Certain assumptions in respect of our ability to recruit and retain key talent, our ability to execute on growth strategies, the impact of competition, changes in trends in our industry or macroeconomic conditions, including the impact of the ongoing COVID-19 pandemic, and any changes in laws, rules, regulations, and global standards are material assumptions made in preparing forward-looking information and management's expectations. Forward-looking statements are subject to a variety of risks, uncertaintiesand other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees;management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations;conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance oncomponents and raw materials; change in technology; quality of products and services; maintenance oftechnology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and global financial conditions.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set outin this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue relianceon forward-looking statements. Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities laws, has been approved by management of the Company.

Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future of the Company. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Additional Information

Additional information relating to the Company is available in the prospectus on www.sedar.ca

MyndTec Inc.
Management's Discussion and Analysis
For the Nine Months Ended September 30, 2021
Expressed in Canadian Dollars
Dated: February 11, 2022

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of MyndTec Inc. ("**MyndTec**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2021 and the audited consolidated financial statements for the year ended December 31, 2020, together with the notes thereto; and in conjunction with the Company's Prospectus dated February 11, 2022. Information contained herein is presented as at February 11, 2022, unless otherwise indicated.

Description of Business

The Company was incorporated under the *Business Corporations Act* (Ontario) and its head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9.

The Company is privately held, founded in 2008, and is dedicated to the development and commercialization of innovative products that improve function, maximize independence and enhance the quality of life for individuals who have suffered injury to the central nervous system as a result of stroke, spinal cord injuries ("**SCI**") and traumatic brain injury ("**TBI**"). The Company develops non-invasive neuro and nervous system electrical stimulation therapeutics for the treatment of neurological diseases specifically targeted to markets with large, growing, global patient populations.

The Company has revenues from sales in Canada and from Canada to the United States and has one operating segment which includes income related to its MyndMove™ **("MyndMove")** device and a variation of that device, called MyndSearch that has been modified for research purposes. The two types of revenue that are earned from MyndMove include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove or MyndSearch devices to clinics or research institutions and the sale of treatment supplies.

MyndMove

The Company's first product, MyndMove therapy, is a patented and proprietary functional electrical stimulator coupled with proprietary treatment protocols that integrate neuro stimulation with a rapidly growing cloud-connected database. MyndMove is an FDA and Health Canada approved product that restores voluntary movement to stroke and SCI patients and is currently marketed in Canada under a medical device license issued by Health Canada (License No: 93158) and also commercially available in the US under a 510(k) FDA clearance (K170564). MyndMove applies advanced principles of neuroplasticity and functional electrical stimulation to assist patients with paralysis of the arm and hand to make lasting gains in the recovery of natural, voluntary movement. MyndMove's first indications are for paralysis caused by stroke and spinal cord injury.

The Company is continuing to develop additional applications designed to address a broader scope of paralysis including lower limb and trunk applications for walking, standing and sitting.

In Canada and the United States, the Company loans on a service fee basis and sells MyndMove directly to clinics and institutions. Our operations in Mississauga provide dedicated customer service and access to our technical service personnel and clinical consults.

Business Overview and Highlights

Secondary private financing transaction

On December 10, 2021, the Company completed a secondary private financing, in three Closings, for a total of $2,954,302 of which $590,861 was received by the company and the balance remains in escrow. The subscribers received 2,954,302 subscription units, in the expectation that these will be exchanged for 2,954,302 shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipt units are exchanged.

The exchange of the subscription receipts units into common shares and warrants is conditional on the Company obtaining conditional listing approval and be trading on a stock exchange in Canada by February 28, 2022. In the event that a listing is not obtained by that time, the funds in escrow may be returned to the subscribers and the subscribers will receive $590,861 plus accumulated interest in convertible debentures of the Company.

As at September 30, 2021, $121,778 of share issue costs related to this transaction had been incurred and are recorded in prepaid expenses and deposits in the Company's unaudited consolidated statement of financial position.

Canadian Securities Exchange listing (CSE)

On October 12, 2021, the Company submitted a non-offering prospectus to the Ontario Securities Commission and a listing application to the CSE to become a listed company on the CSE. On conditional listing approval of this application, by the CSE:

- the Company's outstanding convertible debentures and accumulated interest, as of the date that the listing is approved, will be converted into subscription receipt units at $0.80 per subscription receipt unit; and thereafter,
- the Company will exchange each share subscription receipt unit into one (1) common share and (1) warrant at $1.00 that will expire sixty months following the date of such approval.

If the listing application is unsuccessful, the Company's convertible securities will not be converted into subscription receipts; the $590,861 received by the Company will be converted into convertible debentures; and, the escrowed funds and accumulated interest will be returned, by the Escrow Agent, to the Subscribers.

As at September 30, 2021, $779,780 of costs related to this listing application has been incurred and are recorded in public listing costs in the Company's unaudited statement of operations and comprehensive loss. As at December 31, 2021, accumulated listing costs were $1,013,000.

Distribution agreement

On September 29, 2021, the Company signed a new distribution agreement with LBB Applied Technology Inc. (LBB), a shareholder of the Company. LBB operates in the State of Michigan, USA and has extensive relationships with hospitals and hospital groups in the United States.

The former agreement with LBB allowed that company to lease MyndMove devices, similar to the Company's business model in Canada, and the average treatments per month of the two LBB treatment clinics are significantly higher than the average usage of clinics in Canada. Subject to maintaining performance targets, the new distribution agreement grants LBB the exclusive rights to market MyndMove devices in the State of Michigan and to selective hospital groups in the United States.

Scientific Research and Experimental Development (SR&ED) claim

On July 31, 2021, the Company received and recognized as income its $230,945 SR&ED claim for the year ended December 31, 2020.

Initial private financing transaction

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023. See "Liquidity and Capital Resources" for more information on this raise.

Department of Defense Clinical Trial

The Company is currently conducting a post-market clinical trial to further expand its body of clinical outcome data for the MyndMove product. This trial is primarily funded by the SCI Research Program under the United States Department of Defense office of the Congressionally Directed Medical Research Programs, award number W81XWH-16-1-0790. The trial began enrollment of approximately 60 patients in June 2019 and is scheduled to conclude in March 2022. This is a randomized two-arm, parallel group, multicenter, single-blind, controlled trial comparing electrical neuromodulation delivered by MyndMove therapy to intensive upper-limb conventional therapy in the treatment of individuals with moderate to severe motor impairment to their arms and hands from an incomplete, cervical, traumatic SCI.

KITE

On February 26, 2020, the Company entered into a master collaboration agreement, as amended on January 5, 2021 (the "**Master Collaboration Agreement**"), with KITE, the research arm of the Toronto Rehabilitation Institute and one of the principal research institutes at the University Health Network ("**UHN**"). KITE's expertise includes injury prevention, restoration of function following injury or illness, enhanced participation and independent living. Pursuant to the Master Collaboration Agreement, the Company works directly with KITE to develop new treatments, devices and products as well as gathering evidence that guides changes to policy and public opinion that improve the lives of people living with the effects of disability, illness and aging. Currently, the Company and KITE are collaborating on an improvement to MyndMove to support the addition of protocols related to the treatment of lower limbswith a focus on regaining the ability to walk independently. This collaboration includes development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions.

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. The Company will continue to focus our research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionality of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. Once the Company is publicly listed, it will no longer qualify for cash refundable SR&ED credits.

Business Objectives and Milestones

The Company launched MyndMove to hospitals in the United States in the fourth quarter of 2021, primarily through distributors although one direct sale of a device, in the amount of $36,000 US, occurred in July 2021.

The Company's immediate business objective is to expand its product revenues through its distribution partner, LBB Applied Technology, LLC ("LBB" or "Life Beyond Barriers") in Michigan, USA, which has been using MyndMove in their 2 clinics for two years and has the highest utilization rates of all MyndMove clinics. The Company is working to secure other distributors in the United States and other partnerships in Asia, for sale or licensing of its MyndMove product.

Expressed in Canadian Dollars

Longer term, the Company's business objective is to further expand the placement of MyndMove™ systems and establish and/or increase the number of treatments in Canada, the United States of America, Asia and Europe. To support these efforts the company will be using distribution partners and sales agents in the identified countries. As noted above, this process has already started with the signing of Life Beyond Barriers for distribution in the US starting with the State of Michigan. The company also has a sales agreement with the Maness Veteran Medical to sell to US Veteran hospitals now that the company is on the approved Federal Supply Schedule (FSS) for VA hospitals.

To accomplish its objectives, the Company intends to achieve the following milestones within the next 12 months:

	Milestone	Estimated		Amount Spent ($)	Amount Remaining
		Completion Date (Qtr,Year)	Amount ($)		
1	Establish MyndMove™ marketing and sales outside of the United States of America	Q1, 2021	25,000	10,000	15,000
2	Expand and enhance the intellectual property portfolio	Q2, 2022	25,000	0	25,000
3	Complete clinical and technical improvements for MyndMove™	Q2, 2022	20,000	0	20,000
4	Development to expand MyndMove™ Indications	Q3, 2022	75,000	0	75,000
	Total		145,000	10,000	135,000

Notes to the Milestone Table:

(1) The Company is in the early stages of establishing distribution partnership opportunities in Asia and has signed the Non-Binding Term Sheet for the distribution of MyndMove™ in Singapore and Malaysia. Negotiations are currently ongoing to reach a final distribution agreement. The Company will incur costs for product evaluations and clinical demonstrations.

(2) The Company will review and identify opportunities to file provisional patent applications and develop trade secrets and expertise directed at novel approaches to stimulating muscles in the lower body.

(3) The Company will identify new protocols with a view to improving the ease of use of the device for therapists through software improvements, and leading to faster set-up times; treatment optimization of treatment protocols; and more robust patient data, capturing and reporting of treatment outcomes.

(4) The Company is developing the hardware and software to allow the MyndMove™ device to treat lower body paralysis. This is being done in conjunction with Kite / UHN as part of our Master Collaboration Agreement, whereby device is being developed to provide higher levels of stimulation for the larger muscle groups in the lower body and new protocols are being developed to work with the lower body muscles.

Research and Development Activities

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. The Company will continue to focus its research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionalities of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. Once the Company is publicly listed, it will no longer qualify for cash refundable SR&ED credits.

Treatment for the Lower Body

The Company and KITE are collaborating on an improvement to MyndMove™ to support the addition of protocols related to the treatment of lower limbs with a focus on regaining the ability to walk independently. This collaboration includes the development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions (see Milestone 4). The target of this is to develop protocols that retrain walking for patients with paralysis due to stroke or spinal cord injury.

Improvements to MyndMove™

The company is continuously improving the functionality of the device in response to user feedback. Some of this development work is done internally, otherwise 3rd party development groups are utilized. For example, improvements to our software are in collaboration with Prolucid Technologies. Improvements to the hardware is being done in collaboration with RMF Design and Manufacturing, all in conjunction with KITE and other development partners (see Milestone 3).

Selected Financial Information

The following selected financial information is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Year to Date and 2020 Annual Information

	Nine-Months Ended Sept. 30, 2021 $	Year Ended Dec. 31, 2020 $
Total assets	1,843,325	1,654,591
Current liabilities	2,296,217	1,052,486
Non-current liabilities	2,715,312	2,428,087
Working capital (deficit)	(814,090)	288,459
Revenue	200,660	162,634
Gross Margin	112,665	67,044
Expenses	2,741,634	1,561,542
Net loss	(2,628,969)	(1,494,498)
Net loss per share, basic and diluted	(0.16)	(0.10)

Summary of Quarterly Results (2021)

	$'000		
For the Three Months Ended	**31-Mar 2021**	**30-Jun 2021**	**30-Sep 2021**
Total Assets	1,668	2,018	1,843
Revenue for the Period	51	55	95
Loss for the period	(528)	(1,253)	(848)
Loss per share	(0.03)	(0.08)	(0.05)

Summary of Quarterly Results (2020)

	$'000			
For the Three Months Ended	**31-Mar 2020**	**30-Jun 2020**	**30-Sep 2020**	**31-Dec 2020**
Total Assets	1,545	2,203	1,494	1,655
Revenue for the Period	44	31	41	47
Loss for the period	(360)	(151)	(475)	(508)
Loss per share	(0.02)	(0.01)	(0.03)	(0.04)

Nine Months Ended September 30, 2021 compared to September 30, 2020 ("Comparable Period")

Statement of Operations and Comprehensive Loss

	Three Months Ended		Nine Months Ended	
	2021	**2020**	**2021**	**2020**
Revenue	**$ 94,668**	**$ 41,259**	**$ 200,660**	**$ 116,481**
Cost of sales	29,482	30,534	87,995	66,518
Gross Margin	**65,186**	**10,725**	**112,665**	**49,963**
Expenses				
General and administration	185,035	245,482	929,806	812,673
Research and development	160,547	174,832	604,091	450,432
Quality and regulatory assurance	24,021	10,195	60,963	40,325
Selling and marketing	22,637	64,860	68,821	223,509
Share-based compensation	93,467	26,604	86,347	79,812
Interest and accretion expense	81,105	72,693	235,786	129,988
Depreciation and amortization	24,023	30,054	80,270	90,162
Clinical trial	(6,339)	(7,945)	6,533	(21,270)
Changes in fair value	13,274	(85,548)	120,182	(334,856)
Public listing costs	545,905	-	779,780	-
Government grants and tax credits	(230,945)	(45,145)	(230,945)	(434,575)
Total operating expenses	912,730	486,082	2,741,634	1,036,200
Comprehensive Loss	**$(847,544)**	**$(475,357)**	**$(2,628,969)**	**$(986,237)**

Commentary respecting the nine-month period ended September 30, 2021

Comprehensive Loss

For the nine months ended September 30, 2021, the Company reported a comprehensive loss of $2,628,969 compared to a loss of $986,237 for the comparable 2020 period, an increase in losses of $1,642,732. This increase in losses included $255,861 of severance accrued for the former CEO; an increase of $174,297 in R&D and quality assurance costs, related primarily to increases in third-party costs for development of MyndMove 2.0; a $106,609 increase in accreted interest mostly related to the convertible debentures issued on May 20, 2020; a $27,803 increase in clinical trial costs; a $658,668 reduction in expense recoveries for grants and changes in fair value related to COVID credits in 2020, that stopped late that year, and non-cash changes in fair value, resulting from IFRS required re-valuations; and, $779,780 of 2021 public listing costs - that are offset by a $138,728 reduction in other general and administration costs, a $154,688 reduction in marketing costs, due to the termination of the marketing manager and consulting cost reductions; and, a $62,702 increase in gross margin.

Expressed in Canadian Dollars

Revenues

Treatment revenues and gross margin increased 34% in 2021 compared to 2020, due to lower COVID restrictions affecting treatment revenues. The Company made its first sale of a MyndMove device in the third quarter of 2021, in the amount of $44,918, that also increased 2021 revenues over the prior year

COVID has been a significant factor influencing the Company's treatment revenues. Following are the Company's treatment statistics for the third quarter of 2021, compared to the nine-month period ending September 30, 2021 and the annual periods for 2020 and 2019:

	Year Ended December 31,		Periods Ended September 30, 2021	
	2020	2019	9 Months	3 Months
Average per month - Canada				
Clinics	11.0	9.0	14.0	13.0
Devices	11.0	11.0	15.0	15.0
Treatments	118.6	93.4	185.0	178.3
Treatments per clinic	10.8	10.4	13.2	13.7
Average per month - US				
Clinics	2.0	1.3	2.0	2.0
Devices	2.0	1.3	2.0	2.0
Treatments	88.7	123.6	85.9	75.7
Treatments per clinic	44.3	92.7	42.9	37.8

Expenses

The $117,133 increase in general and administration, from $812,673 in 2020 to $929,806 in 2021, includes: the $255,861 severance paid in 2021, offset by a $151,950 reduction in costs related to the US subsidiary.

The $174,297 increase in research, development and quality assurance, from $490,757 in 2020 to $665,054 in 2021, includes: $190,733 for third party MyndMove development costs, offset by a $48,944 reduction in salaries and benefits.

The $154,688 reduction in marketing costs, from $223,509 in 2020 to $68,821 in 2021, includes: $124,393 in salaries and benefits and $14,687 for consulting, all of which relate to the Company's decision to move away from a direct sales approach to marketing through distributors.

There was a $6,535 increase in share-based compensation.

The $105,798 increase in interest and accretion expense, from $129,988 in 2020 to 235,786 in 2021, includes: $89,139 for accretion on the convertible debentures that were issued on May 20, 2020.

Depreciation decreased $9,892 from 2020 to 2021.

Clinic trial net expenses were $27,803 higher in 2021, than 2020, due to the timing of expenses incurred, compared to recoveries. The Company expects to average a net deficit of $3k to $5k per month from this clinical trial, which is anticipated to end in the 3rd quarter of 2022.

With respect to government grants and tax credits, and changes in fair value, the Company recorded $110,763 of favourable recoveries in in 2021, compared to $769,431 in 2020; creating a $658,668 unfavourable difference from 2020 to 2021, including the following:

- $25,437 of lower SR&ED credits received in 2021 compared to 2020
- $16,265 due to the fair valuation of a $40k COVID CEBA loan
- $161,928 from COVID wage subsidies
- $202,555 from the fair value revaluation of government loans
- $252,483 from the revaluation of conversion and warrant liabilities

Expressed in Canadian Dollars

In 2021, the Company incurred $779,780 of costs, as of September 30, 2021, with respect to a listing application it is preparing for the Canadian Securities Exchange.

Commentary respecting the three-month period ended September 30, 2021

For the three months ended September 30, 2021, the Company reported a comprehensive loss of $847,544 compared to a loss of $475,357 for the comparable 2020 period, an increase in losses of $372,187. This increase in losses included a $66,863 increase in share-based compensation, $98,822 of unfavourable changes in fair value and 2021 public listing costs of $545,905; offset by government grants being $185,800 higher in 2021, primarily due to the timing of receipt of SR&ED credits. Other overhead costs decreased $99,141 and gross margins are $54,461 higher in 2021 compared to 2020.

The $54,461 improvement in gross margins, includes revenue increases from $41,259 in 2020 to $94,668 in 2021. The third quarter 2021 revenues include the Company's first sale of a MyndMove device to an operating Clinic, amounting to $44,918.

Operating expenses for the three-month period ended September 30, 2021, compared to the Comparative Period increased by $426,648 from $486,082 to $912,730. The increase includes:

- $545,905 of public listing costs in 2021
- $66,863 in share-based compensation, related to the hiring of a new CEO at the end of the second quarter.
- $45,145 of 2020 COVID wage subsidies, with none in 2021

Significant decreases in third quarter costs, compared to the prior year, include:

- $60,447 of general and administrative costs, of which $47,931 is related to the US subsidiary
- $42,223 in marketing costs
- The $230,945 SR&ED claim received

Disclosure of Outstanding Security Data

The Company is authorized to issue an unlimited number of common shares. The table below lists the securities outstanding as at February 11, 2022:

Description	Outstanding as at February 11, 2022
Common Shares	17,099,796
Common Share Purchase Warrants	1,259,535
Convertible Debentures	$1,421,310
Options	987,500
Subscription Receipt Units	2,954,302

Liquidity and Capital Resources

As at September 30, 2021, the Company had negative working capital of $814,090, (December 31, 2020 – positive working capital of $288,459); and a cash balance of $754,316 (December 31, 2020 - $668,580). The Company is not subject to any externally imposed capital requirements.

The $814,090 of negative September 30, 2021, working capital includes liabilities for:

- $806,823 in legal fees and related HST, most of which the Company expects to pay when the escrowed funds from its secondary private financing (see page 2 of this MD&A) are released from escrow
- $629,450 of clinical trial pre-paid US Department of Defense cash receipts recorded in trade and other payables, $201,969 which is payable in November 2021 with the remainder due, as incurred, in the months of February, May and August 2022,
- $220,520 of deferred revenue, in respect of which most of the related costs are recorded in prepaid expenses and deposits.

Working capital requirements for 2022 will be funded by the secondary financing transaction and the settlement of deferred revenues.

Funding History

Deferred Payment Plan

On December 31, 2021, the Company entered into an agreement with a supplier that is not a related party. The agreement was made in settlement for amounts outstanding for services to be provided through to January 24, 2022. The agreement requires a commitment for payment as follows: i) $579,208 due on completion of a public offering expected on or around January 24, 2022, ii) $42,500 to be paid $2,500 per month beginning February 1, 2022 through to June 1, 2023, and iii) $296,500 due and payable on June 30, 2023. In the event the Company closes a private placement or public offering, the Company is required to pay down the outstanding balance as follows: i) if the offering is less than $3 million, the payment will be 5% of the proceeds; ii) if the offering is $3 million or more, the payment will be for the outstanding balance. Interest will accrue on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest will be waived.

FEDA Loan

On December 3, 2021, the Company's re-payment schedule for its FEDA indebtedness was amended such that its total debt repayments for the 15 months ended December 31, 2022 is estimated to be approximately $90,000.

Secondary private financing transaction

On December 10, 2021, the Company completed a secondary private financing, in three closings, for a total of $2,954,302 of which $590,861 was received by the company and the balance remains in escrow. The subscribers received 2,954,302 subscription units, in the expectation that these will be exchanged for 2,954,302 shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipt units are exchanged.

The exchange of the subscription receipts units into common shares and warrants is conditional on the Company obtaining conditional listing approval and be trading on a stock exchange in Canada by February 28, 2022. In the event that a listing is not obtained by that time, the funds in escrow may be returned to the subscribers and the subscribers will receive $590,861 plus accumulated interest in convertible debentures of the Company.

As at September 30, 2021, $121,778 of share issue costs related to this transaction had been incurred and are recorded in prepaid expenses and deposits in the Company's unaudited consolidated statement of financial position.

Initial private financing transaction

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023:

- $285,183 of the proceeds, net of share issue costs, were allocated to the value of the warrants, based on a Black Scholes valuation with an exercise price of $1.06; an estimated $0.71 value of common shares; a volatility rate of 78.8%; an expected 2-year life for the warrants; and, a risk-free interest rate of 1.41%.
- $375,000 of the proceeds were received by December 31, 2020 and are recorded in Company's December 31, 2020 consolidated statement of financial position as deposits for future share financings.
- $59,134 of share issue costs were incurred in respect of these financings.

On May 19, 2020, the Company issued unsecured convertible debentures with a maturity date of December 31, 2022, in an aggregate principal amount of $1,250,000 (2019 – $nil). Interest accrues at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest convert at a price per security equal to 80% of the price per security issued in the qualified financing.

On February 11, 2020, 94,339 common shares were issued upon the exercise of 94,339 warrants for cash consideration of $100,000 and $23,401 of value transferred from contributed surplus, for a fair value of $123,401 added to share capital.

During the nine months ended September 30, 2020, the Company received $161,928 in Temporary Wage and Canada Emergency Wage program subsidies.

Funding Requirements

As at September 30, 2021 and the current date, the Company is not anticipating profit from operations in the immediate term, therefore it may be dependent on its ability to obtain additional equity or debt financing, subsequent to December 31, 2022 and before June 2023, The Company may need additional capital and may raise additional funds should management and the board of directors of the Company (the "Board of Directors") deem it advisable.

As at September 30, 2021, the Company had $754,316 of cash plus $153,416 of trade and other receivables for $907,732 of available funds, and the following short-term obligations:

- $1,747,248 of trade and other payables, excluding $75,000 of compensation accrued in 2019 that is indefinitely deferred
- $253,449 of current long-term liabilities
- For a total of $2,000,697 in short-term obligations

There are no capital spending plans for the balance of 2021 or 2022.

The net deficit of short-term obligations, in excess of available funds, was $1,092,965 at September 30, 2021. Included in this deficit are:

- $806,823 of legal fees payable, which will be paid when the escrow funds are received: and,
- $427,481 of advances from the US Department of Defense, which are due in the period from February to August 2022

On September 30, 2021, the Company had a working capital deficit of $814,090. Currently, Management estimates working capital of approximately $1,348,000 as at January 31, 2022, including the release of escrow funds. This working capital is estimated to sustain the Company's operations until at least March 31, 2023.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Judgments Used in Applying Accounting Policies

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 and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- ***Going concern***

  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which might cast significant doubt on the Company's ability to continue as a going concern is required. In management's judgement, such disclosure is not required. This judgement is based on management's expectation of revenue and future net cash flows for the 18-month period to March 31, 2023. The Company's mitigating actions include a subsequent financing transaction for gross proceeds held in escrow of $2,363,441; deferral of financial obligations due within the next 12 months of $519,000 including a FEDA loan amendment and a deferred payment plan; and, reduction in operating and discretionary expenses.

  During the nine-month period ended September 30, 2021, the Company had a net loss of $2,628,969, which includes $779,780 of public listing costs, and negative cash flows from operating activities of $982,917 and negative working capital of $814,090 as at September 30, 2021. To the extent that the Company has negative operating cash flows in future periods, the Company will deploy funds raised through the above noted subsequent financing transaction to fund such negative cash flow. Based on management's expectations of revenue, future net cash flows for the 18-month period to March 31, 2023; the subsequent financing transaction; the FEDA loan amendment; and, the deferred payment plan of financial obligations due within the next 12 months, management has applied judgement in determining that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The estimates used by management in reaching this conclusion are based on information available as of the date of these condensed interim consolidated financial statements were authorized for issuance and included internally generated cash flow forecast. Accordingly, actual results could differ from those estimates and resulting variances may be material to management's assessment.

- ***Trade and other receivables***
  The recognition of trade and other receivables and loss allowances requires the Company to assess credit risk and collectability. The Company has experience minimal credit losses in the past and expects that experience to continue in the near future.

- ***Leases***
  Values of right-of-use assets and lease liabilities require judgment in determining lease terms such as extension options and the incremental borrowing rate applied.

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Cox-Rubenstein Binomial model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Convertible debentures and embedded derivative***
  Convertible debentures are compound financial instruments which are accounted for separately by their components: liabilities, equity and warrants. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment by management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest or liability component. The determination of the fair value of the liability is also based on a number of assumptions including contractual future cash flows, discount rates, and presence of liabilities. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determine the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (''**FVOCI**''), or fair value through profit and loss (''**FVTPL**''). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  A financial asset is measured at amortized cost if it is not designated as at FVTPL; it is held within a business model whose objective is to hold assets to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

  The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized inprofit or loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

  The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

- ***Financial liabilities***

  The Company initially recognizes financial liabilities at fair value on the date at which theCompany becomes a party to the contractual provisions of the instrument.

  The Company classifies its financial liabilities as either financial liabilities at FVTPL or amortized cost.

  Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

- ***Financial liabilities and equity instruments***

  - Classification as debt or equity

    Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

  - Equity instruments

    An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue cost.

  Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on thepurchase, sale, issue or cancellation of the Company's own equity instruments.

- ***Classification of financial instruments***

  The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics and management intent as outlined below:

  Classifications

Cash and cash equivalents	Amortized cost
Trade and other receivables, excluding HST	Amortized cost
Trade and other payables, excluding HST	Amortized cost
Promissory note	Amortized cost
Derivative and warrant liabilities	FVTPL
Lease obligations	Amortized cost
Convertible debentures	Amortized cost
FEDA and CEBA Government loans	Amortized cost
HTE Government loan	FVTPL

- ***Impairment of financial assets***

  An expected credit loss ("**ECL**") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Financial Risk Factors

The Company's business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company's share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respectto advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company's documents filed with Canadian securities regulatory authorities; and other factors beyond the Company's control.

Expressed in Canadian Dollars

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2021:

	Payments Due			
	Less than 1 year	2 - 3 years	After 3 years	Total
Trade and other payables	$ 1,822,249	$ -	$ -	$ 1,822,249
Office lease - base rent and common area	55,278	93,944	-	149,222
Government loans - principal	227,428	417,242	632,172	1,276,842
Convertible debentures - principal	-	1,250,000	-	1,250,000
	$2,104,955	$1,761,186	$632,172	$4,498,313

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. A 1% change in the foreign exchange rates would result in a $938 impact to the financial statements.
- **Interest rate risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at September 30, 2021, because all of its indebtedness is at fixed rates.
- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.The Company is not exposed to other price risk as at September 30, 2021.

Fair values

The carrying values of cash, trade and other receivables, trade and other payables, lease obligations, notes payable, convertible debentures and government loans approximate fair value due to the short-term nature of these items or being carried at fair value or, for borrowings, interest payables are close to the current market rates. The risk of material change in fair value is not consideredto be significant. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted pricesfor similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the year, there were no transfers of amounts between levels. The fair value of the derivative and warrant liabilities and HTE government loan are determined using level 3 inputs.

	Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value**
Derivative liabilities	Probability weighted discounted cash flow	- Discount rate - Expected timing and probability of qualified transaction	An increase in the probably or earlier expected date of qualified transaction would increase the fair value of the derivative liability.
Warrant liabilities	Black Scholes	- Share price - Volatility	An increase in share price or volatility would increase the fair value of the warrant liabilities.
HTC government loan	Discounted cash flows	- Discount rate - Expected timing of repayments based on revenue forecast	An increase revenue growth or decrease in discount rate would increase the fair value of the HTC government loan.

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which on September 30, 2021 totaled a deficiency of $3,168,204 (December 31, 2020 - $1,825,982. The Company manages capital through its financial and operational forecasting processes.The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company is not constrained by externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the Nine Months Ended September 30, 2021.

Commitments and Contingencies

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize the intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction (net sales), as follows:

- 0% on the first $1,000,000 cumulative net sales
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000
- 1% on the cumulative net sales exceeding $7,500,000

The amount of these fees of the years ended December 31, 2020 and 2019 are disclosed in Note 12 of the Company's December 31, 2020 audited consolidated financial statements.

On May 15, 2020, the Company signed a financial advisory agreement, which included a monthly retainer of $15,000 per month for a six-month term. If a private financing transaction is completed during the term or following twelve-month period, which is not Company investor led, additional success fees are payable based on a percentage of the amount raised:

- No qualified private financing transaction was completed in the six-month period commencing May 15, 2020; and,
- Management believes that the private placement transactions completed on May 3, 2021 and in-process on the date hereof are Company investor led and are not subject to a success fee under the financial advisory agreement.

The Company is committed to payment of retention bonuses to four employees, in the total amount of $70,500 that are payable on December 31, 2021, provided such employees are still with the Company on that date.

On June 23, 2021, the Company entered into an agreement with the Company's former Chief Executive Officer to acquire transition services. The remaining commitment is a minimum total of $48,750 over the three-month period ending December 31, 2021.

The Company's lease commitments are disclosed in Notes 5 of the Company's September 30, 2021 unaudited condensed interim consolidated financial statements.

Related Party Transactions

During the six months ended September 30, 2021 and 2020, the Company recognized treatment revenues from LBB Applied Technology Inc., a shareholder of the Company that is entitled to nominate one director to the Board. These transactions were made in the normal course of business on similar terms as provided to third parties.

The Company has a shareholder and director, Dr. Milos Popovic, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement, requiring the semi-annual payment of licensing fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

$250,000 of the Company's December 31, 2020 deposits for future share financings liability were received from a director and significant shareholder, Mr. Harvey Griggs.

$900,000 of the Company's convertible debenture (note 10) issued on May 19, 2020 were issued to a director and significant shareholder, Mr. Harvey Griggs. These convertible debentures were on the same terms as convertible debentures issued to other parties.

Expressed in Canadian Dollars

On June 21, 2021, the Company appointed a new CEO, Craig Leon, at the same salary amount and benefits as the former CEO, Steve Plymale; the former CEO cooperated with the Company in executing a termination arrangement that confirmed a concurrent severance payment of $255,816, including benefits; the former CEO signed a transitional services agreement with the Company for a minimum of $48,750 over a three-month period and a maximum amount of $97,500 over a six-month period; the new CEO was granted 600,000 options, with a Black-Scholes value of $284,371; and the former CEO forfeited 397,608 options, with a Black-Scholes value of $345,919 calculated on their issue date in the year ended December 31, 2017.

A summary of the Company's related party transactions follows:

	September 30 2021	September 30 2020
Revenue during the nine month period		
Treatment revenues	$ 69,629	$ 71,924
Sale of devices	-	-
	$ 69,629	$ 71,924
Expenses during the nine month period		
Compensation, principly to senior officers, the balance to directors		
Share-based	$ 84,905	$ 77,422
Salaries and fees	750,197	366,072
License fees	8,018	6,300
R&D services	197,852	23,115
	$ 1,040,972	$ 472,909
Assets - end of the period		
Accounts receivable for treatment revenues	$ 7,627	$ -
Liabilities - end of the period		
Due to director for pre-2019 compensation	$ 75,000	$ 75,000
License fees payable	$ 8,018	$ 6,300
Deferred revenue	$ 220,520	$ 220,520

Related party share-based compensation for the nine-month period ending September 30, 2021 includes $94,756 for Craig Leon, Director and Chief Executive Officer (2020 - $nil); $10,814 for Ron Kurtz, Vice President Engineering (2020 - $16,486); ($21,040) for Steve Plymale, former Director and Chief Executive Officer (2020 - $32,667); and, $375 for other Directors (2020 - $28,669).

Related party salaries and fees for the nine-month period ending September 30, 2021 includes $69,558 for Craig Leon, Director and Chief Executive Officer (2020 - $nil); $142,938 for Ron Kurtz, Vice President Engineering (2020 - $128,382); $113,031 for Scott Franklin, Chief Financial Officer (2020 - $32,000); $402,670 for Steve Plymale, former Director and Chief Executive Officer (2020 - $190,690); and, $22,000 for other Directors (2020 - $15,000).

Events Occurring after the Reporting Date

There are no reportable events occurring after the reporting date which are not otherwise included within this document.

COVID-19 Pandemic

The global outbreak of the COVID-19 pandemic continues to be a threat to the global economy. The extent to which the COVID-19 pandemic may continue to impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions and social distancing in Canada, the United States and other countries; business closures or business disruptions; and the effectiveness of actions taken by governments around the globe to contain and treat the disease. The measures taken to date have caused material disruptions to businesses globally, resulting in an economic slowdown.

From an operational perspective, the Company's employees and distribution partners, as well as the workforce of vendors, services providers and counterparties with which the Company does business, may also be adversely affected by the COVID-19 pandemic or efforts to mitigate the pandemic, including government-mandated shutdowns, requests or orders for employees to work remotely and other physical distancing measures, which could result in an adverse impact on the Company' ability to conduct its businesses, including its ability to cultivate adoption of the Company's technology.

To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the rate at which agreements for new user sites will be entered into. Despite the COVID-19 pandemic, treatment sessions are continuing, and the Company continues to identify potential new user sites. The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

Risks and Uncertainties

Operations of the Company

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of its products, creating possible obsolescence thereof. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. If such additional capital is raised through the issuance of additional equity, it may result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Directors and Officers

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The economy remains in a period of volatility, primarily driven by the worldwide impact of COVID-19 and an uncertain socioeconomic and political climate in the United States. Significant volatility is expected in the near to mid-term, the potential impact of which upon the Companyis unknown at this time.

See page 72 of the Company's Prospectus dated February 11, 2022 for a complete list of risk factors as they pertain to the Company.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Forward Looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company's business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Certain assumptions in respect of our ability to recruit and retain key talent, our ability to execute on growth strategies, the impact of competition, changes in trends in our industry or macroeconomic conditions, including the impact of the ongoing COVID-19 pandemic, and any changes in laws, rules, regulations, and global standards are material assumptions made in preparing forward-looking information and management's expectations. Forward-looking statements are subject to a variety of risks, uncertaintiesand other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees;management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations;conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance oncomponents and raw materials; change in technology; quality of products and services; maintenance oftechnology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and, global financial conditions.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set outin this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, anddoes not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue relianceon forward-looking statements. Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities laws, has been approved by management of the Company.

Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future of the Company. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Additional Information

Additional information relating to the Company is available in the prospectus on www.sedar.ca

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

PURPOSE AND PRIMARY RESPONSIBILITY

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

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

1.3 In addition, the Audit Committee provides an avenue for communication between the external auditor, management and other employees of the Company, as well as the Board, concerning accounting, financial reporting and auditing matters.

MEMBERSHIP

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

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

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

2.4 The Board appoints one Audit Committee member to act as its chair (the "**Committee Chair**"), provided that if the Board does not so designate a Committee Chair, the Committee, by a majority vote, may designate a Committee Chair. The Committee Chair may be removed at any time at the discretion of the Board. The incumbent Committee Chair continues in office until (i) a successor is appointed, (ii) he or she is removed by the Board, or (iii) he or she ceases to be a director of the Company. If the Committee Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

AUTHORITY

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

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

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

(c) communicate directly with the Company's external auditor and the Company's officers and employees and request Company information and documentation from these persons;

(d) investigate any matter relating to the Company's audit and accounting practices, or anything else within its scope of responsibility, and obtain full access to all Company books, records, facilities and personnel; and

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

DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

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

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

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

(d) regularly meeting with the external auditor without management present to discuss matters that fall under its mandate;

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

(f) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include (i) disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company, (ii) a written statement delineating all relationships between the external auditor and the Company (assuring that lead audit partner rotation is carried out, as required by law, and delineating any other relationships that may adversely affect the independence of the external auditor);

(g) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures and all relationships between the external auditor or any affiliates thereof and the Company or persons in financial reporting oversight roles at the Company that, as of the report's date, may reasonably be thought to bear on independence, such report to include any material issues raised by the most recent internal quality control review, or peer

review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues, and discussing with the external auditor the potential effects of any relationships described in the report which may reasonably be thought to bear on independence;

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

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

(j) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor (or delegating such pre-approval to one or more independent to the extent permitted by applicable laws, regulations, rules and listing standards) and considering whether the auditor’s provision of permissible non-audit services is compatible with the auditor’s independence;

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

(l) reviewing and discussing with management and the external auditor, prior to their public disclosure, all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

(m) reviewing and discussing with management and the external auditor, prior to their public disclosure, any annual information form and prospectus-type documents (including financial outlook, future-oriented financial information and other forward-looking information, and any pro-forma or non-IFRS information included therein);

(n) to the extent not previously reviewed by the Committee, reviewing and discussing with management and the external auditor, prior to their public disclosure, all financial statements included in any prospectus, business acquisition report or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board;

(o) reviewing and supervising, to the extent deemed appropriate, the preparation by management of (i) any information of the Company required to be filed by the Company with applicable securities regulators or stock exchanges, (ii) press releases of the Company containing material financial information, earnings guidance, forward-looking statements, information about operations or any other material information, (iii) correspondence broadly disseminated to the shareholders of the Company, and (iv) other relevant material written and oral communications or presentations

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

(q) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors;

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

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

(t) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

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

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

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

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

(y) reviewing and assessing on an annual basis the code of business conduct and ethics of the Company ("**Code of Conduct**"), and making recommendations to the Board, where appropriate;

(z) monitoring compliance with the Code of Conduct;

(aa) reviewing and discussing with the Company's Chief Executive Officer (or an officer carrying out the function of CEO) (the "**CEO**") and Chief Financial Officer (or an officer carrying out the function of CFO) (the "**CFO**") the process for the certifications to be provided under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and receiving and reviewing any disclosure from the Company's CEO and CFO made in connection with the required certifications of the Company's quarterly and annual reports filed;

(bb) establishing procedures for:

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

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

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

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

(ee) reviewing the findings of any examinations by regulatory agencies, and any external auditors observations made regarding those findings;

(ff) reviewing, together with management, the creditworthiness, liquidity and important treasury matters including financial plans and strategies of the Company;

(gg) reviewing the Company's tax strategy, including its tax planning and compliance with applicable tax law;

(hh) establishing and ensuring the application of procedures for:

(i) reviewing, on a periodic basis, the Company's insurance coverage program and related insured risks, including coverage for product liability, property damage, business interruption, liabilities, and directors' and officers' liability;

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

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

(iv) reviewing fraud prevention policies and programs, and monitoring their implementation;

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

(A) Tax and financial reporting laws and regulations;

(B) Legal withholding requirements;

(C) Environmental protection laws and regulations; and

(D) Other laws and regulations which expose directors to liability.

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

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

OPERATIONS

5.1 In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

(a) **Meetings**. Each of the Committee Chair, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders. The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

(b) **Quorum**. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

(c) **Committee Chair**. The Committee Chair shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, ensuring all matters requiring the Audit Committee's approval are properly tabled and presented for consideration at Audit Committee meetings, and making regular reports to the Board on the work of the Audit Committee. The Committee Chair will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

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

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

(f) **Reporting to the Board**. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

(g) **Minutes**. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

5.2 The Committee is authorized and empowered to adopt its own rules of procedures not inconsistent with any provision of this Charter, any provision of the Company's by-laws, or the compliance with applicable laws and regulations.

ANNUAL PERFORMANCE EVALUATION

6.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

GENERAL

7.1 The Audit Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and any external advisors, including the external auditor, in accordance with its business judgment. Audit Committee members are not full-time Company employees and are not, and do not represent themselves to be, professional accountants or

auditors. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Audit Committee to (i) plan or conduct any audits, (ii) determine or certify that the Company's financial statements are complete, accurate, fairly presented or in accordance with IFRS, as applicable, and applicable laws, (iii) guarantee the external auditor's reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. Audit Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, the accuracy and completeness of the information provided and management's representations as to any audit or non-audit services provided by the external auditor.

7.2 Nothing in this Charter is intended or may be construed as to impose on any Audit Committee member or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under Applicable Laws. This Charter is not intended to change or interpret the Company's constating documents, Investor Agreements or Applicable Laws to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such Applicable Laws. The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

7.3 Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.

CERTIFICATE OF MYNDTEC INC.

Dated: February 11, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by MyndTec Inc. as required by the securities legislation of Ontario, Alberta and British Columbia.

"Craig Leon"	*"Scott Franklin"*
Mr. Craig Leon Chief Executive Officer	Mr. Scott Franklin Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Christine Ozimek"	*"Carlo Pannella"*
Ms. Christine Ozimek Director	Mr. Carlo Pannella Director

CERTIFICATE OF THE PROMOTER

Dated: February 11, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by MyndTec Inc. as required by the securities legislation of Ontario, Alberta and British Columbia.

"*Milos Popovic*"

Dr. Milos Popovic
Promoter