

Mindbio Therapeutics Corporation
ABN 99 650 149 572

Management's Discussion and Analysis
For the Nine months ended March 31, 2023

OVERVIEW

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of MindBio Therapeutics Group. (The Group) for the nine months ended March 31, 2023. It is supplementary information and should be read in conjunction with the Group's consolidated financial statements and accompanying notes for the financial year ended June 30, 2022.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

STRUCTURE AND HOLDINGS

Mindbio Therapeutics Corp an entity which was incorporated on 21 January 2021, designed to be a 100% solely owned subsidiary of Blackhawk Growth Corporation (Blackhawk) with the sole purpose of fulfilling a spin-out transaction of the below entities from its parent and ultimate controlling party. The spin out transaction occurred on May 5, 2023 and the entity is now listed on the Canadian Securities exchange.

Mindbio Therapeutics Pty Ltd,(Mind Bio) which was incorporated on May 12, 2021 under the Australian Corporations Act 2001. Mind Aust is a clinical stage drug development company that is pioneering legal psychedelic micro dosing research and is advancing emerging therapies to treat a range of debilitating health conditions such as depression, anxiety, chronic pain, cognitive impairment and PTSD;

Digital Mind Technologies Pty Ltd (DMT), which was incorporated on September 13, 2021 under the Australian Corporations Act 2001. DMT is a digital technology and research business with a core focus on establishing and executing research protocols through formal clinical trials that are facilitated via digital therapeutic platforms. The aim of the business is to create evidence based medical interventions for various medical conditions using digital technologies; and

Mindbio Therapeutics NZ Limited (Mind NZ), which was incorporated as a wholly owned subsidiary of Mind Aust on November 23, 2021 under the New Zealand Corporations Act. Mind NZ is a research and technology business that focusses on the establishment and execution of research protocols through clinical trials. The core of the research is based on the investigation of psychedelic substances as a potential treatment regimen for the management of a broad range of mental health conditions. The business is also focused on developing technologies that will assist with the administration of psychedelic substances as part of an established treatment regimen.

On 17th May 2021, MindBio Therapeutics Pty Ltd signed a binding term sheet with the University of Auckland in New Zealand (the University) which provided a global first right and option to commercialize the intellectual property that arises from microdosing clinical trials using medicinal psychedelics at the University. Discussions and negotiations with the University of Auckland started in September 2020 and when final terms of the agreement were agreed by both parties, the management of MindBio Therapeutics incorporated the company and then finalized and signed the binding term sheet.

MindBio Therapeutics Pty Ltd raised AUD\$1.3M from Australian accredited investors to fund working capital. The private placement closed on 30 July 2021.

On 28 August 2021, MindBio Therapeutics Pty Ltd was acquired by Canadian Securities Exchange listed Blackhawk Growth Corp (CSE:BLR), (“BLR”). BLR completed a share swap with MindBio in a 100% scrip for scrip transaction where all of the shareholders in MindBio became shareholders in BLR, leaving BLR as the 100% shareholder in MindBio. Subsequently, Mind Bio was acquired by MindBio Therapeutics Corp in a scrip for scrip transaction.

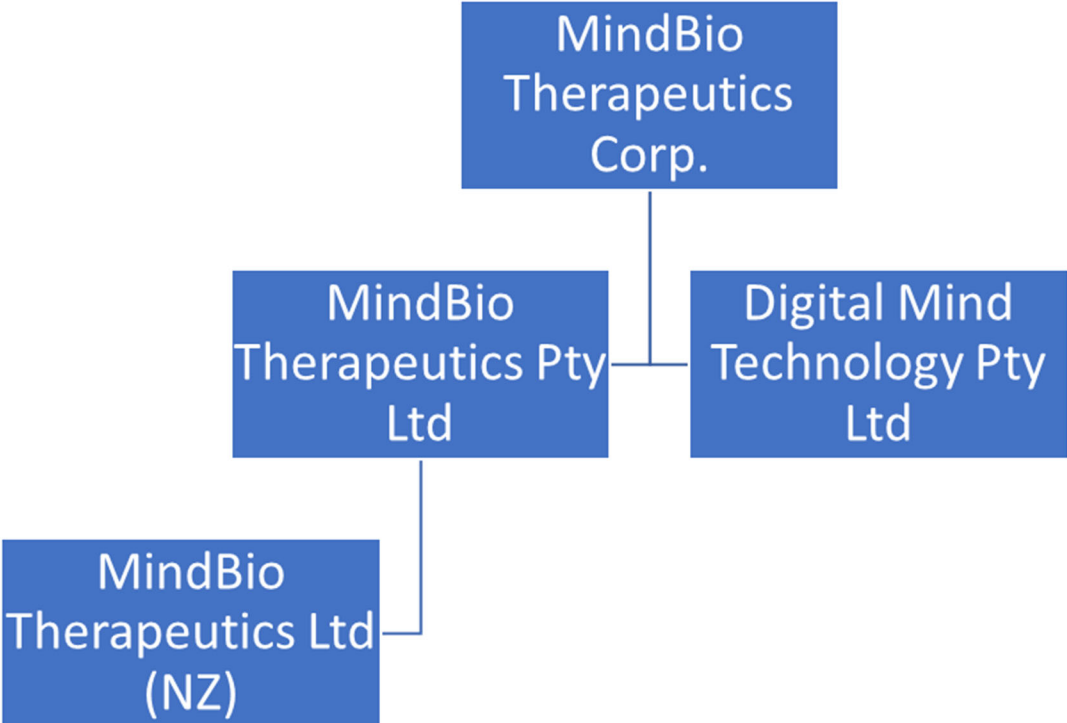
On June 10, 2022, Mindbio Therapeutics Corp completed a private placement issuing 6,332,189 shares and raising \$253,288. These funds remain in trust at the reporting date, pending a successful listing.

On 23 November 2021 MindBio Therapeutics NZ Limited was incorporated as a subsidiary of MindBio Therapeutics Pty Ltd. On 21 December 2021, MindBio Therapeutics NZ Limited signed a Funding and Commercialization Agreement with the University, immediately exercised its right and first option to commercialize all of the intellectual property that arises from the psychedelic microdosing clinical trials.

Refer to the subsequent events section, which outlines the group movement on May 5, 2023 which resulted in the listing of MindBio Therapeutics Corporation on the Canadian Securities Exchange.

As the entities have a common owner, the entities have been presented as a consolidated entity (the Group) under IFRS 10

The following chart shows the structure and holdings of the Company as of the date of the MD&A:



RESULTS OF OPERATIONS

For the nine months ended March 31, 2023

For the nine months year ended March 31, 2023, the Company had no revenue and a net Loss and comprehensive loss of \$, compared with no revenue and a net Loss and comprehensive loss of \$ for the nine months ended March 31, 2022.

Consulting and Accounting expenses for the nine months year ended March 31, 2023 were \$65,167 (31 March 2022 \$).

Consulting and advisory expenses for the nine months year ended March 31, 2023 were \$10,000 (31 March 2022 \$129,273). This was a result of the services provided for the capital structuring of the group at the start up phase.

Finance charge for the nine months ended March 31, 2023 was \$208,026 (31 March 2022 \$3,420,700). The 2022 cost was mainly a result the interest incurred on the convertible notes issued and converted during the period.

Directors' fees for the nine months ended March 31, 2023 were \$15,363 (31 March 2022 \$125,000.) This reflected the decision of directors not charging for services during the quarter leading up to the listing event.

Marketing expense for nine months ended March 31, 2023 were \$186,367 (31 March 2022 \$41,995.) This was a result of an increase in the marketing of the group for the period.

Legal expenses for the nine months ended March 31, 2023. were \$53,686 (31 March 2022 \$84,239.) This was a result of an increase in professional legal services required for the group and progress to listing.

Other operating expenses for the nine months ended March 31, 2023 were \$51,693 (31 March 2022 \$126,740). This was a result of an increase in general activity in the groups operations.

Audit expense for the nine months ended March 31, 2023 was \$45,027 (31 March 2022 \$24,500).

There were also FX gains incurred for the nine months of \$103,163 and a fair value movement in bonus shares of \$282,197.

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of \$ 886,438 (\$0.03) per share) for the nine months ended March 31 2023 compared with a net loss of \$7,146,429 ((\$0.34) per share) for the nine months ended March 31, 2022.

SUMMARY OF SELECTED QUARTERLY INFORMATION

	Qtr 31-Mar-23	Qtr 31-Dec-22	Qtr 30-Sep-22	Qtr 30-Jun-22	Qtr 31-Mar-22	Qtr 31-Dec-21	Qtr 30-Sep-21	Qtr 30-Jun-21
Revenue			0	0	0	0	0	0
Net Income (loss)	(300,665)	(372,503)	(210,270)	(3,679,318)	(2,110,350)	(1,348,689)	(358,384)	(476,925)
Basic and diluted earnings from continued operations (loss) per share	(0.008)	(0.010)	(0.007)	(0.129)	(0.074)	(0.061)	(0.016)	(476.925)
Shares on issue	36,424,624	36,424,624	28,427,369	28,427,369	28,427,369	22,095,180	22,095,180	1,000
Weighted shares on issue	29,408,567	25,875,280	24,038,208	20,470,874	17,083,462	13,316,979	0	1,000

Current Assets	31-Mar-23	31-Dec-22	30-Jun-22
Cash and Cash Equivalents	191,008	154,034	1,314,794
Goods and services tax credits	28,115	27,996	45,664
Receivables	1,422		
SAFE Investment	33,226	33,226	33,226
Prepaid interest	36,767	50,328	56,432
Monies held in trust	559,399	747,262	253,288
Total Current assets	849,937	1,012,846	1,703,404
Current Liabilities			
Trade and other payables	219788	150,672	994,399
Convertible notes payable			
Total current Liabilities	219,788	150,672	994,399
Non Current Liabilities			
Trade and other payables	350000	350,000	350,000
Investor Loans	4566458	4,515,745	4,552,975
Total non current liabilities	4,916,458	4,865,745	4,902,975
Total liabilities	5,136,246	5,016,417	5,897,374
Net Liabilities	(4,286,309)	(4,003,571)	(4,193,970)
Equity			
Issued capital	5,385,306	5,408,110	4,576,636
Reserve	(14,571)		
Accumulated losses	(9,657,044)	(9,411,681)	(8,770,606)
Total	(4,286,309)	(4,003,571)	(4,193,970)

FINANCING ACTIVITIES

Share Capital Mind Bio Therapeutics Corporation.

	Date	Shares	Cents	\$
As at incorporation	28/01/2021	-	-	-
Issue of Founder Shares	28/01/2021	9,900,000	-	-
Issue of shares to Mindbio Therapeutics Pty Ltd	28/08/2021	12,195,180	13.40	1,632,253
Private placement*	10/06/2022	6,332,189	4.00	253,288
Issue of bonus shares as part of the Blackhawk Loan arrangement with Mind Therapeutics Pty Ltd*	20/12/2022	3,135,520	9.00	282,197
Placement round*	20/12/2022	4,861,735	9.00	526,471
		<hr/>	<hr/>	<hr/>
As at 31 March 2023		<u>36,424,624</u>	<u></u>	<u>2,694,206</u>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*These shares are yet to be recorded in the share register as at 31 March, 2023 as the monies raised from the placement are still held in Trust, as disclosed on the face of the Statement of Financial Position.

As at 30 June 2022, the ultimate parent company, Blackhawk Growth Corporation had conducted a capital structuring activity which included the issue of warrants that were exercisable into ordinary fully paid shares. These warrants are contingent upon the completion of a spin-out transaction discussed in the Going Concern paragraph.

Blackhawk warrant holders

Date	Expiry date	Outstanding	Exercisable	Remaining life (Years)	Exercisable Price* (\$)
17/12/2019	17/12/2024	1,840,000	1,840,000	2.19	\$1.25
31/03/2021	31/03/2023	4,154,970	4,154,970	0.47	\$0.60
22/11/2021	22/11/2024	1,538,461	1,538,461	2.12	\$0.91
		<u>7,533,431</u>	<u>7,533,431</u>		

*Issue of bonus shares as part of the Blackhawk Loan arrangement with Mind Therapeutics Pty Ltd. These bonus shares are issuable under the terms of the Mindbio Australia investor loans (as disclosed above) but are yet to be recorded in the share register as at March 31, 2023.

Mindbio Australia Pty Ltd

Share capital

	Date	Shares	Cents	\$
As at incorporation	12/05/2021	-	-	-
Grant and issue of founder shares	12/05/2021	1,000	100.00	1,000
Issue of founder shares	28/08/2021	7,607,000	-	-
Conversion of convertible notes to shares	28/08/2021	4,520,931	29.91	1,352,100
As at 31 March 2023		<u>12,128,931</u>	<u>129.91</u>	<u>1,353,100</u>

Digital Mind Technologies Pty Ltd

Share capital

	Date	Shares	Cents	\$
As at incorporation	13/09/2021	-	-	-
Grant and issue of founder shares	13/09/2021	100	100.00	100
Issue of founder shares	13/12/2021	4,227,335	-	-
Conversion of convertible notes to shares	13/12/2021	4,433,855	71.41	1,337,898
As at 31 March 2023		<u>8,661,290</u>	<u>129.91</u>	<u>1,337,998</u>

Loans issued

Mindbio Therapeutics Pty Ltd issued loans to investors totaling \$1,400,984 as at September 30, 2022. The terms of the debt are as follows:

The loan attracts interest of 10% per annum.

The loan is repayable after 18 months of MindBio Therapeutics being listed as a public company, or at 18 months of a listing not being successful.

The loan attracts bonus shares which will be payable to the lender, prior to the equating to the loan amount divided by CAD \$0.08c. The bonus shares will be issued by Mindbio Therapeutics Pty Ltd just prior to listing.

This loan is unsecured.

Digital Mind Technologies Pty Ltd issued loans to investors totaling \$1,405,000. The terms of the debt are as follows:

The loan attracts interest payment of 10% upfront and is repayable within 18 months of a successful listing of the Group. In the event of the listing of the Group being unsuccessful, the loan is repayable within 30 business days. .

There is no bonus issue of shares attributable to the terms of this loan.

This loan is unsecured, and the repayment date has been extended to 18 months past the signing date

On January 31, 2022, MindBio Therapeutics NZ Ltd was lent CAD 1,700,000 from Blackhawk Growth Corp of Vancouver BC. This Loan has a term of 24 months and has no interest payable. An upfront facilitation fee of CAD 205,000 has been paid as per the agreement. This fee is capitalised and amortised over the term of the loan.

This loan is unsecured.

Research and Development

On the 17th May, 2021, the Group signed an agreement with the University of Auckland where the Group would fund research conducted by the University into developing new and innovative ways for managing and responding to mental illness via the use of medicinal psychedelics. The total funding expected is NZD\$2,727,320. In the financial year ended June 30, 2022, NZD \$2,727,320 (AUD \$2,458,374) has been paid.

The funds the Group has expended in New Zealand are of a research and development (R&D) nature. The New Zealand Government provides R&D grants that may be available to the Group. The group is currently perusing its eligibility to qualify for the R&D grant.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Cash and cash equivalents, was \$191,008 as of March 31, 2023, a reduction of \$1,123,786 from June 30, 2022.

The reduction in cash was mainly due to an outflow from operating activities of \$1,601,372 as well as the payment of trade and other payables.

Short term assets, accounts receivable and equity assets were \$849,937 as at 31 March 2023. Current liabilities were \$ 1219,788 as at 31 March, 2023.

ANALYSIS OF FINANCIAL CONDITION AND FINANCIAL PERFORMANCE

The financial performance of the group in the quarter reflected the preparation of the group for the listing on the CSX. At this stage, there is no revenue streams in place.

DIRECTORS AND OFFICERS COMPENSATION

The following table sets out all compensation payable to directors of the Corporation for their services as directors in the quarter year ended September 30, 2022. The directors have agreed not to charge fees during the time that the group is preparing itself to list on the CSX.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Zena Burgess	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Justin Hanka	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gavin Upiter	Nil	Nil	Nil	Nil	Nil	Nil	Nil

RELATED PARTY TRANSACTIONS

There were no related party transaction incurred in the half year ended March 31, 2023.

REMUNERATION OF KEY PERSONNEL

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

SUBSEQUENT EVENTS

On May 5, 2023, the following transactions occurred on May 5, 2023:

MindBio Therapeutics Corporation purchased Digital Mind Technologies Pty Ltd from Blackhawk growth Limited. Consideration was the issue of 7,888,044 shares.

Mindbio Therapeutics Corporation completed a placement of 6,666,058 shares at 9.5c each.

Mindbio Therapeutics Corporation then concluded a share split to all holders, issuing 82,068,590 shares.

MindBio Therapeutics Corporation then successfully listed on the Canadian Securities exchange.

SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements for the financial year ended June 30, 2022, were prepared using accounting policies consistent with IFRS. A summary of significant accounting policies under IFRS is presented in Note 2 of the consolidated financial statements of the Company for the financial year ended June 30, 2022.

RISK FACTORS AND RISK MANAGEMENT

MindBio shareholders and potential investors in MindBio should carefully consider the following risk factors and all the other information contained in this MD&A when evaluating MindBio and its common shares.

An investment in the Company's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks, which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Liquidity and Negative Cash Flows

The Company's cash on hand, cash equivalents as December, 2022 was \$. This amount should be adequate to continue to fund the Company's operations for the foreseeable future. If the Company had to raise capital to fund its operations or to make further investments in its businesses, it would have to sell assets or raise funds through the sale of additional equity or a combination of those two things. There may not be a ready market for the sale of its assets, and it may not be possible to issue additional

shares or other securities, or the issue of additional shares or other securities if it were to be possible may result in significant dilution to the interests of existing shareholders.

The Company's principal asset is its investment in the ownership of Digital Mind Technologies Pty Ltd (DMT) and Mindbio Therapeutics NZ Limited (Mind NZ). These Companies are at an early stage of development and will likely require additional funding to continue operations or to develop their business plans until they become self-funding. The Companies may experience negative cash flow from operating activities. If that is the case, MindBio would have to fund its operations with its cash on hand, cash equivalents or other sources.

Mindbio New Zealand has commenced a process for claiming a refund on its research activities conducted over the last few years. An R&D tax incentive claim has been submitted to the New Zealand Inland Revenue Office for \$147,824 for the financial FY2022. A further \$234,675 cash refund application is scheduled to be submitted for the FY2023 financial year.

Limited Diversification of Investments

Due to the small size of the Company and the fact that it has only a limited number of investments, the Company is subject to a greater risk of a downturn in one or more of its investments. A concentration of the Company's invested funds in a limited number of companies –in particular in the psychedelic micro-dosing research - means that in the event that any such business or industry or investment is unsuccessful or experiences a downturn, this will likely have a material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments, which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

The industry is at its early stages and psychedelic medicines are not yet proven to the appropriate standard for safety and efficacy in medical treatment of patients to be broadly marketed as medicines around the world.

Competition

There are a growing number of competitors entering the market many with financial resources far greater than the Company which may make it difficult for the Company to compete effectively in the market against these competitors.

Currency Fluctuations

The Company is exposed to fluctuations in the value of the currencies of Australia, New Zealand, Canada and the United States.

The Company does not use currency derivatives to hedge against adverse currency fluctuations.

Legal Claims and Other Contingencies

The Company and its investee companies may become parties to law suits, claims and litigation arising in the ordinary course of business. Such lawsuits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for the Company's Shares

The Company is not currently listed on an securities exchange, and there is no current liquid market for the shares.

INTERNAL CONTROLS

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

International Financial Reporting Standards

The Company's financial statements for the financial year ended June 30, 2022, and the period ended May 12, 2021, (date of incorporation) to June 30, 2021, and the comparative information presented in such financial statements have been prepared in accordance with IFRS applicable to the presentation of financial statements.

STRATEGY AND FUTURE DIRECTION

The ultimate objective of the Company is to create novel and effective treatments and interventions for patients suffering from mental health conditions.

OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares and an unlimited number of preferences shares issuable in series. MindBio Therapeutics Corporation Limited has issued the following shares:

1. Issue of foundation shares of 9,900,000 (28 January 2021);
2. Issue of 12,195,180 shares to acquire Mind Bio for \$1,634,206 (28 August, 2021);
3. Issue of 6,332,189 shares in a placement to raise \$253,288 (10 June, 2022);

4. Issue of 3,135,000 bonus shares in relation to a loan agreement for \$282,197 (20 December, 2022);
5. Issue of 4,861,735 shares in relation to a placement raising \$526,471 (20 December 2022);
6. Issue of 6,666,058 shares in relation to a placement raising \$6,33,276 (5 May, 2023);
7. Issue 7,888,044 shares to acquire DMT from Blackhawk Growth Corporation, valued at \$1,070,318 (5 May, 2023);
8. Issued 82,068,590 in relation to a share split (5 May, 2023).

As of the date of this MD&A there were 133,047,316 outstanding common shares.

OTHER INFORMATION

Additional information related to the Company may be found on SEDAR at www.sedar.com.

“Justin Hanka”

Justin Hanka
May, 2023.