

Mindbio Therapeutics Corp

Consolidated Financial Statements

For the three months ending 30 September, 2023

(In Australian dollars)

MindBio Therapeutics Corp.
Consolidated statement of financial position
As at September 30, 2023
(Expressed in Australian dollars)

Assets	Note	Sept 30, 2023	June 30, 2023
Current assets			
Cash and cash equivalents		232,971	319,175
Money held in Trust		-	284,832
Goods and services tax input credits receivable		27,936	54,029
SAFE investment		14,890	14,890
Total current assets		<u>275,797</u>	<u>672,926</u>
Total assets		<u>275,787</u>	<u>672,926</u>
Liabilities			
Current liabilities			
Trade and other payables	3	513,814	654,496
Investor Loans		2,149,344	2,155,661
Deferred Grant Income		115,649	115,649
Total current liabilities		<u>2,778,807</u>	<u>2,925,806</u>
Non-current liabilities			
Investor loans	4	2,816,813	2,816,812
Long term accruals	3	350,000	350,000
Total non-current liabilities		<u>3,166,813</u>	<u>3,166,812</u>
Total liabilities		<u>5,945,620</u>	<u>6,092,618</u>
Net liabilities		<u>5,669,823</u>	<u>5,419,692</u>
Equity			
Share capital		5,372,815	5,372,815
Option reserve		1,398,199	1,398,199
Warrants		75,845	75,845
Accumulated other comprehensive Income		175,174	175,174
Non Controlling interests		(62,358)	(62,046)
Accumulated losses		(12,629,498)	(12,379,679)
Total deficiency in equity		<u>5,669,823</u>	<u>5,419,692</u>

Director



Director



November 20, 2023

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

MindBio Therapeutics Corp.

Consolidated Statement of Loss and Comprehensive Loss

For the three months ended September 30, 2023, with the comparative period 3 months to September 30, 2022.

	Note	3 months	3 months
		Sept 30, 2023	Sept 30, 2022
Expenses			
Investor relations		(9,244)	
Consulting and accounting		(23,791)	(27,818)
Consulting and advisory			-
Amortisation			(24,200)
Directors' fees			-
Marketing		(18,389)	(40,565)
Legal		(62,957)	(51,162)
FX Gain (loss)		31,170	42,698
Finance costs	7	(56,208)	(69,970)
Recruitment			-
Other operating expenses		(48,666)	(39,253)
Non-Controlling interests		312	
Loss before income tax expense		(187,773)	(210,270)
Income Tax expense			-
Net loss and comprehensive loss for the period		(187,773)	(210,270)
Other comprehensive income for the period			
Net loss and comprehensive loss for the period		(187,773)	(210,270)
Weighted shares on issue		110,135,224	19,047,615
Loss per share, basic and diluted		(0.00)	(0.01)

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

MindBio Therapeutics Corp.
Interim Statement of changes in Shareholders' Equity
(Expressed in Australian dollars)
For the three months ended September 30, 2023

	Issued Capital	Option reserve	Accumulated losses	FX Reserve	Outside Equity Int	Warrants	Total
	\$		\$	\$		\$	\$
As at at June 30 2021	1,000		(476,925)	-		-	(476,925)
Comprehensive loss for the year ended June 30 2022			(7,474,955)				(7,474,955)
Conversion of convertible notes	2,689,998						2,689,998
Dilutive transaction cost	1,600,142		-				1,600,142
Issue of founder shares	422						422
Private Placement	220,981		-				220,981
Payment of dividend			(786,940)				(786,940)
As at at June 30 2022	4,512,543		(8,738,820)	-	-	-	(4,226,277)
Comprehensive loss for the twelve months ended June 30, 2023			(4,279,639)		(7,081)		(4,286,720)
Issue of bonus shares arrangement with Mind Therapeutics	308,478						308,478
Private Placement	1,135,609					75,845	1,211,454
Placement round							-
Issue to acquire DMT	743,208						743,208
Elimination re Purchase of DMT	(1,327,023)		583,815				(743,208)
Share based payments		1,398,199					1,398,199
Outside Equity interest			54,965		(54,965)		-
FX Reserve				175,174			175,174
As at June 30, 2023	5,372,815	1,398,199	(12,379,679)	175,174	(62,046)	75,845	(5,419,692)
Loss for the period			(187,773)		(312)		(188,085)
Outside Equity Interest			(62,046)				(62,046)
as at 30 September, 2023	5,372,815	1,398,199	(12,629,498)	175,174	(62,358)	75,845	(5,669,823)

See accompanying notes to the financial statements.

MindBio Therapeutics Corp.

Interim Statement of Cash Flows

(Expressed in Australian dollars)

For the three months ended September 30, 2023

	3 months ending 30 September, 2023	3 months ending 30 September, 2022
Loss for period	(187,773)	(210,270)
Finance costs and unrealised foreign		
Movement in trade and other payables	(209,357)	(869,129)
Movement in trade and other receivables	26,094	-
Net cashflow from operating activities	(371,036)	(1,079,399)
Proceeds from borrowings	-	30,000
Funds held in trust	284,832	
Net cashflows from financing activities	284,832	30,000
Net increase/decrease in cash held	(86,204)	(1,049,399)
Cash at the beginning of the period	319,175	1,314,792
Cash at the end of the period	232,971	265,393

See accompanying notes to the financial statements.

MINDBIO THERAPEUTICS Corp.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
(Expressed in Australian Dollars)
For the three months ended September 30, 2023

1. INCORPORATION AND NATURE OF OPERATIONS

MindBio Therapeutics Corp (formally 1286409 B.C. Ltd) (“MindBio Corp”) is a Canadian based company that is listed on the Canadian Securities Exchange (“CSE”), trading under the symbol of “MBIO”. MindBio Corp. was incorporated on 21 January 2021. MindBio Corp. has 2 subsidiary companies (and one sub subsidiary company) which operate in Australia and New Zealand. Together, these companies form the MindBio Group (“Group”). The Group’s core business is researching, developing, and testing psychedelic substances as a potential treatment for the management of a broad range of mental health conditions. MindBio Corp has its head office at 1055 West Georgia Street, Vancouver, BC, Canada.

Going concern

These combined consolidated financial statements have been prepared on a going concern basis, which contemplates that the Group will be able to realize its assets and discharge its liabilities in the normal course of business.

For the three months ended 30 September 2023 the Group incurred a loss from operations of \$187,773 (30 September 2022 – \$210,270) and incurred cash outflows from operations of \$86,204 (30 September 2022 – \$1,049,399).

As 30 September 2023, it has negative working capital of approximately \$2,503,020 (30 September 2022 – \$2,252,880);

The directors also have the ability to scale back expenditures relating to the research and development program, together with corporate and administrative overheads. It has largely completed the majority of its expenditure commitments with the University of Auckland, and;

The counterparties to the non-current payables set out in note 6 have written to the Group stating the intention and ability to not call upon amounts payable and owing to them in the event that this payment would jeopardize the Group’s ability to pay its debts as and when they fall due and payable.

While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. These events represent material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

2 Significant accounting policies

These general-purpose financial statements for the interim three-month period ending September 30, 2023 have been prepared in accordance with International Accounting Standard IAS 134 ‘Interim Financial Reporting’, as appropriate for-profit orientated entities.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended June 30, 2023 of the Group and any public announcements made by the Group during the interim reporting period.

MINDBIO THERAPEUTICS Corp.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
(Expressed in Australian Dollars)
For the three months ended September 30, 2023

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2023 \$	June 30 2023 \$
<i>Current</i>		
Accounts payable and accruals - third parties	400,068	572,417
Accrued directors' fees		-
Accrued fees - Audit	113,746	73,746
Accrued fees - Consulting and advisory		8,333
Current	513,814	654,496
<i>Non-current</i>		
Accrued fees - 958 Consulting*	350,000	350,000
Total current and non-current	863,814	1,004,496

958 Consulting is a wholly controlled entity of a director of the Group companies. The consulting and advisory amounts are payable in-respect of successfully completing contractually agreed performance and transactional milestones. In December 2021 some of the amounts which were payable at call under the terms of the original agreement were deferred for payment in December 31, 2023

4. INVESTOR LOANS

During March to May 2022, MindBio Aust issued loans to investors with gross principal amount of \$1,394,984. The terms of the debt are as follows:

- The unsecured loans attract interest of 10% per annum;
- They are repayable after 18 months of MindBio Aust, or its designated listed company vehicle, being listed as a public company, or after 18 months of a designated listing event not being successful; and
- The holders of the loans are subject to receive bonus shares at a price of \$0.08 Canadian Dollars per share. The number of bonus shares issuable equals to 20% of the principal amount of the loan.

As the terms of the loan will result in Mind Aust, or its designated listed company vehicle, to issue a variable number of common shares of MindBio Aust or its designated listed company vehicle, the loan has been classified as a FVTPL liability.

On 20 December 2022 the bonus shares were issued by MindBio Corp. as MindBio Aust's designated listed company vehicle in accordance with the loan agreement. MindBio Corp. issued a total of 3,135,509 shares. See Note 10.

Upon the issuance of the bonus shares, the terms of the loan have been modified to remove the bonus shares structure. The amendment has been assessed as a loan modification. The Group recognized \$nil loan modification gain or loss in the combined consolidated financial statements of loss and other comprehensive loss. After the

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For the three months ended September 30, 2023

amendment, the loan has been classified as amortized cost with an effective interest rate of 11.17% per annum. The fair value of the loan on the date of the amendment has been assessed to be \$1,394,503. For the three months ended 30 September 2023, the Group recognized a total of \$- (2022 - \$nil) of accretion expense and a total of \$35,161 of interest expense (2022 - \$47,636) on the loan which has been included in finance costs in the combined consolidated financial statements of loss and other comprehensive loss.

DMT loan

During June to August 2021, DMT issued loans to investors with gross principal amount of \$1,405,000. The terms of the debt are as follows:

- The unsecured loans attracted an upfront interest payment of 10%;
- They are repayable within 30 business days of a successful listing of the Group or in the event of the listing of the Group being unsuccessful;
- On 10 March 2022, the terms of the loan were amended. Under the amended terms, the loans are repayable on 1 August 2024, if not repaid earlier.

The loan has been classified as amortized cost. The Group has assessed that the loan amendment on 10 March 2022 is classified as a loan modification and there has been \$nil loan modification gain or loss.

During the three months ended 30 September 2023, the Group recognized a total of \$21,046 of finance costs which has been included in the combined consolidated statements of loss and comprehensive loss.

Mind NZ loan

On 31 January 2022, Mind NZ signed a CAD 1,700,000 unsecured loan with Blackhawk. 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 capitalized to the loan and amortized over the term of the loan.

The loan has been classified as amortized cost.

On 25 October 2022, the loan was amended to include an option for the holder to convert the loan into equity of MindBio Aust. The common shares will be issued at a deemed price equivalent to, in the event the common share of MindBio Aust is publicly listed on a stock exchange, the volume-weighted average closing price of the common shares of MindBio Aust on the senior stock exchange in which MindBio Aust is listed in the preceding twenty trading dates, or in the event the common share of MindBio Aust is not publicly listed on a stock exchange, the most recent equity financing completed by MindBio Aust for gross proceeds in excess of \$250,000 Canadian Dollars. In the event that public listing of MindBio Aust is achieved through the listing of another entity which controls MindBio Aust, then the holder of the loan will be deemed to include the right to receive an equivalent number of common shares in the listed entity. An amendment fee of \$200,000 CAD was applied for this amendment. This fee has increased the principal amount of the loan to CAD \$1,900,000. The loan has been extended to be repayable on 31 March 2024.

MINDBIO THERAPEUTICS Corp.
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5. ISSUED CAPITAL

The following table summarizes the issuances of the Group's common shares as at 30 September 2023:

	Date	Share capital		
		Shares ⁽¹⁾	Cents ⁽¹⁾	\$
Balance at 30 June 2022		94,688,316		4,512,543
Placement round ⁽²⁾		2,107,890	1.54	32,397
Issue of bonus shares as part of the Blackhawk Loan arrangement with Mind Therapeutics Pty Ltd	20/12/2022	8,183,239	3.77	308,478
Placement round	20/12/2022	12,689,128	3.89	493,974
Placement round	05/05/2023	17,397,477	3.50	609,328
Issue to acquire DMT	05/05/2023	20,586,690	3.61	743,207
Elimination of DMT upon acquisition	05/05/2023	(22,604,754)	-	(1,327,023)
As at 30 June 2023		133,047,305		5,375,815

Options issued

Options outstanding	Number of options	Exercise price	Expiry date
Granted on 1 May 2023	26,593,250	\$0.10 CAD	1 May 2026

As of 30 September 2023, there were a total of 26,593,250 options exercisable. The weighted average remaining life for the options is 2.59 years. The weighted average exercise price of the options is \$0.10 CAD.

Warrants issued

Options outstanding	Number of warrants	Exercise price	Expiry date
Granted on 5 May 2023	3,378,461	\$0.14 CAD	5 May 2024

As at 30 September 2023, there were a total of 3,378,461 warrants (17,398,422 warrants on a post share split basis) exercisable. The weight average remaining life of the warrants is 1.18 years. The weighted average exercise price of the warrants is \$0.14 CAD.

6. SUBSEQUENT EVENTS

With the exception of the matters discussed in the Going Concern note, there has been no event or transaction subsequent to 30 September, 2023 that materially impacts these financial statements.

7. Segment Note

The Group creates novel and emerging treatments for mental health conditions. It has developed a multi-disciplinary platform for developing treatments and is involved in psychedelic medicine development, is in the completion stages of Phase 1 clinical trials micro dosing psychedelic medicines in 80 patients, has two Phase 2 clinical trials underway and is

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also developing technology solutions to collect and analyse biometric data in mental health patients taking psychedelic medicines to optimize diagnosis and treatment. It also invests in research that forms the basis for developing novel and clinically proven treatments for debilitating health conditions such as depression, anxiety, PTSD and chronic pain.

During the period all activity of the Group took place in the Australasia geographic region.