

Mindbio Therapeutics Corp

Management's Discussion and Analysis For the three months ended September 30, 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 Corp. (The Group) for the three months ended September 30, 2023.

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 (MindBio 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, (MindBio) which was incorporated on May 12, 2021 under the Australian Corporations Act 2001. MindBio 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.

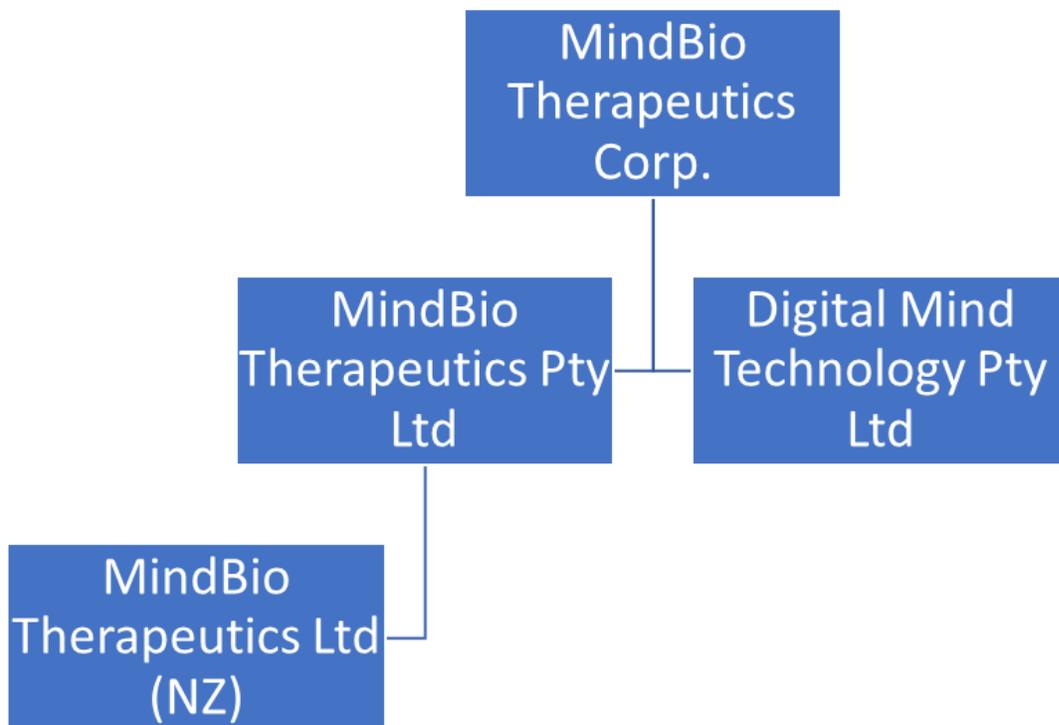
On 28 August 2021, MindBio Therapeutics Pty Ltd was acquired by Canadian Securities Exchange listed Blackhawk Growth Corp (CSE:BLR), (“BLR”). BLR completed a share swap with MindBio in a 100% scrip for scrip transaction where all of the shareholders in MindBio became shareholders in BLR, leaving BLR 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 Corporation (MindBio Corp) completed a private placement issuing 6,332,189 shares and raising \$253,288. These funds remained 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.

The listing of the group was achieved on May 5, 2023, through the spinout of MindBio Corp from Blackhawk. Prior to the spinout transaction, Mind Inc purchased DMT from Blackhawk through the issue of 7,888,044 shares to Blackhawk shareholders.

Part of the spin out agreement was that existing Blackhawk shareholders were to receive 1 MindBio Corp share on listing. To achieve this, MindBio Corp needed to split their shares on issue to bring the number of shares on issue up to a level to achieve this. In order not to dilute non-Blackhawk shareholders, as a result of the Blackhawk share split, there was a parity split done to placement shareholders. This resulted in 48,268,779 shares being issued to Blackhawk holders, 22,095,180 shares issued in MindBio Corp. and 33,799,810 shares issued to placement holders. The result was that Mind Inc has 133,047,305 shares on issue on listing.



RESULTS OF OPERATIONS

For the three months ended September 30, 2023

For the three months year ended September 30, 2023, the Company had a net Loss and comprehensive loss of \$187,773, compared with no revenue and a net Loss and comprehensive loss of \$210,270 for the three months ended September 30, 2022.

Consulting, Advisory and Accounting expenses for the three months year ended September 30, 2023 were \$23,791 (30 September 2022 \$27,818).

Finance charge for the three months year ended September 30, 2023 were \$56,208 (30 September 2022 \$69,970).

Marketing expense for three months year ended September 30, 2023 were \$18,389 (30 September 2022 \$40,565).

Legal expenses for the three months year ended September 30, 2023 were \$62,957 (30 September 2022 \$51,162).

Other operating expenses for the three months year ended September 30, 2023 were \$48,666 (30 September 2022 \$39,253).

The investor relation expense for the quarter was \$9,244 (2022 \$0).

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of \$187,773 (\$0.001 per share) for the three months ended September 30 2023 compared with a net loss of \$210,270 (\$0.26 per share) for the three months ended June 30, 2022.

	Qtr 30-Sep-23	Qtr 30-Jun-23	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
Revenue	0	136,176	0	0	0	0	0	0	0
Net Income (loss)	(187,773)	(3,403,282)	(300,665)	(372,503)	(210,270)	(3,689,318)	(2,110,350)	(1,348,689)	(358,384)
Basic and diluted earnings from continued operations (loss) per share	(0.001)	(0.026)	(0.008)	(0.010)	(0.007)	(0.130)	(0.074)	(0.061)	(0.016)
Shares on issue	133,407,316	133,407,316	36,424,624	36,424,624	28,427,369	28,427,369	28,427,369	22,095,180	22,095,180

SUMMARY OF SELECTED QUARTERLY INFORMATION

Current Assets	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Jun-22
Cash and Cash Equivalents	232,971	319,175	191,008	154,034	1,314,794
Goods and services tax credits	27,936	54,030	28,115	27,996	45,664
Receivables			1,422		
SAFE Investment	14,890	14,890	33,226	33,226	33,226
Prepaid interest			36,767	50,328	56,432
Monies held in trust		284,832	559,399	747,262	253,288
Total Current assets	275,797	672,927	849,937	1,012,846	1,703,404
Current Liabilities					
Trade and other payables	513,814	654,496	219,788	150,672	994,399
Loan	2,149,344	2,155,661			
Revenue in advance	115,649	115,649			
Total current Liabilities	2,778,807	2,925,806	219,788	150,672	994,399
Non Current Liabilities					
Trade and other payables	350,000	350,000	350,000	350,000	350,000
Investor Loans	2,816,813	2,816,813	4,566,458	4,515,745	4,552,975
Total non current liabilities	3,166,813	3,166,813	4,916,458	4,865,745	4,902,975
Total liabilities	5,945,620	6,092,619	5,136,246	5,016,417	5,897,374
Net Liabilities	(5,669,823)	(5,419,692)	(4,286,309)	(4,003,571)	(4,193,970)
Equity					
Issued capital	5,372,815	5,372,815	5,385,306	5,408,110	4,576,636
Reserve	175,174	175,174	(14,571)		
Option reserve	1,398,199	1,398,199	0	0	0
Warrants	75,845	75,845	0	0	0
Non controlling interest	(62,358)	(62,046)	0	0	0
Accumulated losses	(12,629,498)	(12,379,679)	(9,657,044)	(9,411,681)	(8,770,606)
Total	(5,669,823)	(5,419,692)	(4,286,309)	(4,003,571)	(4,193,970)

FINANCING ACTIVITIES

Share Capital MindBio Therapeutics Corporation.

	Date	Share capital		
		Shares	Cents	\$
Balance at June 30, 2022		28,427,369		1,885,538
Issue of bonus shares as part of the Blackhawk Loan arrangement with Mind Therapeutics Pty Ltd*	20/12/2022	3,135,509	9.50	308,478
Placement round*	20/12/2022	4,861,735	9.50	493,974
Placement round	05/05/2023	6,666,058	9.50	609,328
Issue to acquire DMT	05/05/2023	7,888,044	9.50	743,205
Share split – Blackhawk holders	05/05/2023	48,628,779		0
Share split – Private placement holders	05/05/2023	33,799,811		0
As at 30 June 2023		133,047,305		4,040,523

Options on Issue

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

On 1 May 2023, the Group granted a total of 26,593,250 stock options to directors, officers and consultants of the Group. The options can be exercised into one common share of MindBio Corp. at a price of \$0.10 CAD (0.04 CAD per share on a post share split basis) and an expiry date of 1 May 2026. The options are all vested immediately. The fair value of the options are valued utilizing the Black-Scholes model using the following key inputs: share price of \$0.08 CAD; exercise price of \$0.10 CAD; expected life of 3 years; risk free interest rate of 3.63% and volatility of 100%.

Warrants issued

<u>Options outstanding</u>	<u>Number of warrants</u>	<u>Exercise price</u>	<u>Expiry date</u>
Granted on 5 May 2023	3,378,4618	\$0.14 CAD	5 May 2024

As at 30 September 2023, there were a total of 3,378,461 warrants exercisable. The weighted average remaining life of the warrants is 1.18 years. The weighted average exercise price of the warrants is \$0.14 CAD.

Loans issued

During March to May 2022, Mind 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 Mind 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 Mind 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 Mind 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 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 Therapeutics Pty Ltd. The common shares will be issued at a deemed price equivalent to, in the event the common share of Mind Aust is publicly listed on a stock exchange, the volume-weighted average closing price of the common shares of Mind Aust on the senior stock exchange in which Mind Aust is listed in the preceding twenty trading dates, or in the event the common share of Mind Aust is not publicly listed on a stock exchange, the most recent equity financing completed by Mind Aust for gross proceeds in excess of \$250,000 Canadian Dollars. In the event that public listing of Mind Aust is achieved through the listing of another entity which controls Mind 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.

On January 31, 2022, Mind NZ was extended a CAD 1,700,000 unsecured loan facility by 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 capitalized to the loan and amortized over the term of the loan.

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 Mind Aust is publicly listed on a stock exchange, the volume-weighted average closing price of the common shares of Mind 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.

The amendment to the loan has been classified as loan extinguishment of the original loan and a recognition of a new loan. Upon the amendment, the group recognized a total of \$24,277 loss on the loan extinguishment, which has been recorded in the combined and consolidated financial statements of loss and other comprehensive loss.

Since the loan will result in MindBio Corp. issuing a variable number of common shares upon the exercise of the conversion option, the loan has been classified as a FVTPL liability. The fair value of the loan has been assessed at \$2,155,661 (2022 – amortized cost - \$1,776,991). During the year ended 30 June 2023, the group recognized a total of \$392,300 fair value loss on the loan (2022 - \$nil) and a foreign exchange translation gain of \$11,043. None of the investor loan agreements have any equity conversion rights with the exception of the bonus shares applicable on the Mindbio loans.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Cash and cash equivalents, was \$ 232,971 as of September 30, 2023, a reduction of \$86,204 from June 30, 2023.

The reduction in cash was mainly due to an outflow from operating activities of \$371,036 including the payment of trade and other payables. Cash totaling \$284,832 from the funds held in trust were used during the three months ending September 30, 2023.

Short term assets, accounts receivable and equity assets were \$275,797 as at 30 September 2023. Current liabilities were \$2,778,807 as at 30 September, 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 director and officer compensation for the period is summarised in the following table:

RELATED PARTY TRANSACTIONS

The transactions with the related parties of the financial year are summarized as follows:

Related Party	Consulting	Director fee	Total
	\$	\$	\$
Accelerative Investments	-	-	-
958 Consulting	-	-	-
Zena Burgess	-	-	-
Gavin Upiter	-	-	-
Square Financial Pty Ltd	12,500	12,500	12,500
Total	12,500	12,500	12,500

Justin Hanka (CEO) owns the entities 958 Consulting Pty Ltd and Accelerative Investments Pty Ltd
 John Dinan (CFO) part owns Square Financial Pty Ltd

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

There were no subsequent events to balance date.

SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements for the financial year ended June 30, 2023, 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, 2023.

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 September 30, 2023 was \$232,971. 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.

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.

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.

The Company has started two separate Phase 2 clinical trials using MB22001 its proprietary form of LSD for Microdosing at home.

1. Phase 2a clinical trial microdosing with MB22001 in 20 patients with Major Depressive Disorder. This is an open label trial to assess adherence, tolerability to medication and protocol effectiveness.
2. Phase 2b clinical trial microdosing with MB22001 in 40 patients with advanced stage cancer and experiencing existential distress, anxiety and depression.

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 \$1,632,250 (28 August, 2021);
3. Issue of 6,332,189 shares in a placement to raise \$253,288 (10 June, 2022);
4. Issue of 3,135,509 bonus shares in relation to a loan agreement for \$308,478 (20 December, 2022);
5. Issue of 4,861,735 shares in relation to a placement raising \$493,974 (20 December 2022);
6. Issue of 6,666,058 shares in relation to a placement raising \$609,328 (5 May, 2023);
7. Issue 7,888,044 shares to acquire DMT from Blackhawk Growth Corporation, valued at \$743,206 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 133,047,305 outstanding common shares.

OTHER INFORMATION

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



Justin Hanka
November 20, 2023.