MIND MEDICINE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM MAY 30, 2019, DATE OF INCORPORATION, TO DECEMBER 31, 2019

Dated: March 30, 2020

http://mindmed.co

ABOUT THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

All references in this management's discussion and analysis, or MD&A, to the "Company", "MindMed", "we", "us", or "our" refer to Mind Medicine, Inc., unless otherwise indicated or the context requires otherwise. The following MD&A is prepared as of March 30, 2020 for MindMed for the period from May 30, 2019, date of incorporation, to December 31, 2019, and should be read in conjunction with the audited consolidated financial statements for the period from May 30, 2019, date of incorporation, to December 31, 2019, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Our IFRS accounting policies are set out in note 3 of the audited consolidated financial statements for the period from May 30, 2019, date of incorporation, to December 31, 2019. All amounts are in United States dollars, unless otherwise indicated. References to "CAD$" are to Canadian dollars.

On February 27, 2020, the Company completed a reverse takeover transaction with Broadway Gold Mining Ltd. ("Broadway") to form Mind Medicine (MindMed) Inc. (the "Resulting Issuer"). The Company is deemed to be the acquirer in the reverse takeover transaction and therefore the Company's financial statements are deemed to be those of the Resulting Issuer. Please see Note 17 "Subsequent Events" of the audited consolidated financial statements for more information.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- our projections for development plans and progress of each of our products and technologies, particularly with respect to the timely and successful completion of studies and trials and availability of results from such studies and trials;
- our expectations about our products' safety and efficacy;
- our expectations regarding our ability to arrange for and scale up the manufacturing of our products and technologies;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- our expectations about the timing of achieving milestones and the cost of our development programs;
- our plans to market, sell and distribute our products and technologies;
- our expectations regarding the acceptance of our products and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our expectations about whether various clinical and regulatory milestones will be achieved;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our strategy to acquire and develop new products and technologies and to enhance the safety and efficacy of existing products and technologies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements; and
- our strategy with respect to the protection of our intellectual property.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and

opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- uncertainty as to our ability to raise additional funding to support operations;
- our ability to generate product revenue to maintain our operations without additional funding;
- the risks associated with the development of our product candidates which are at early stages of development;
- positive results from preclinical and early clinical research are not necessarily predictive of the results of later-stage clinical trials;
- reliance on third parties to plan, conduct and monitor our preclinical studies and clinical trials;
- our product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;
- risks related to filing Investigational New Drug applications ("INDs") to commence clinical trials and to continue clinical trials if approved;
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients;
- competition from other biotechnology and pharmaceutical companies;
- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any of these individuals;
- our ability to fully realize the benefits of acquisitions;
- our ability to adequately protect our intellectual property and trade secrets;
- our ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation,

all as further and more fully described under the heading "Risk Factors" in this MD&A.

Although the forward-looking statements contained in this MD&A are based upon what our management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

BUSINESS

MindMed is a neuropharmaceutical drug development platform advancing medicines based on psychedelic substances through rigorous science and clinical trials. MindMed's mission is to ***discover, develop and deploy psychedelic inspired medicines*** that alleviate suffering and improve health. Through our unique drug development platform we seek to prove the safety and efficacy of psychedelic-based substances as disruptive technologies and solutions for a continuum of mental illnesses and high unmet medical needs.

MindMed has offices in New York City and Reno, Nevada and is a Delaware-incorporated and registered company.

The Company's immediate priority is to address the opioid crisis by developing a non-hallucinogenic version of the psychedelic ibogaine. In addition, the Company has established a microdosing division to conduct clinical trials of LSD microdosing for adult attention deficit/hyperactivity disorder ("ADHD"). Our platform strategy is currently focused on the discovery and development of psychedelic substances, but we will ultimately seek to deploy our psychedelic inspired medicines in the future.

In furtherance of our mission and platform strategy, MindMed is actively assembling a compelling drug development pipeline of psychedelic inspired medicines planning or undertaking human clinical trials under the supervision and guidance of the US Food and Drug Administration ("FDA") and ex-US regulatory authorities. MindMed anticipates

that it will continue to expand its pipeline and portfolio of IP throughout 2020 through co-development agreements, in-licensing with leading academic research institutions of existing and new clinical research in psychedelics, and proprietary clinical trials with new psychedelics. In the future we will conduct research and development of new and improved psychedelic inspired medicines ranging from proprietary psychedelic compounds to non-psychedelic analogs with medicinal properties.

MindMed's business is premised on a growing body of research that psychedelics can be a new way to treat a myriad of mental health problems. We define ***psychedelic inspired medicines*** to be a new class of drugs based on non-hallucinogenic medicines derived from psychedelics but with a negligible or no hallucinatory effect, or treatment through hallucinogenic therapies that would be performed in-clinic and under the supervision of a doctor and therapist. Regardless of the treatment, MindMed's approach will always be the same – the psychedelic inspired medicines that it develops will be commercialized as regulated medicines. This entails conducting clinical trials utilizing research scientists with extensive psychedelics backgrounds, using experienced clinical drug development teams, the production and supply of drugs at all levels of development according to current Good Manufacturing Practices ("cGMP"), and conducting all trials and development under the supervision and guidance of the US FDA and ex-US regulatory authorities.

This approach places MindMed in an industry in which there are high barriers to entry, due to the need to conduct regulated trials, the time and money involved in doing so, and the related need to develop and protect intellectual property associated with drug development. As such, MindMed's ability to build a compelling drug portfolio and pipeline and raise the financing necessary for its operations are key to success.

Addiction Program

One of the areas on which MindMed will initially focus is the opioid crisis: in the USA, it is estimated that there are at least 11 million people misusing opioids, with an annual cost to the US economy of an estimated $500 billion.[1] To date, existing addiction treatments have been inadequate, and the FDA has provided incentives for effective opioid treatments, including accelerated approval and "breakthrough" designation for the development of treatments for opioid use disorders, and a lowered threshold for approval – accepting a standard of "fewer occasions per day" rather than total abstinence. MindMed intends to leverage and develop its existing intellectual property in treating opioid use disorder, in particular its 18-MC molecule, which is a synthetic congener of the ibogaine plant, and which has been proven effective in the past for treating addictions. In early tests, 18-MC appears to have retained these anti-addictive properties while eliminating the downsides of ibogaine use, including a risk of cardiac toxicity, a lengthy hallucinogenic experience, and being a banned substance.

Ultimately, addiction is a disease of the brain, caused by dysregulation of the dopamine reward pathway that causes the brain to crave and release more dopamine, creating a "high". 18-MC is designed to treat addiction as a brain disease by keeping the dopamine level within a normal range by regulating the dopamine highs, and therefore the craving or addiction. To date, treatments for opioid use disorder have not proven effective and if 18-MC ultimately proves effective in opioid use disorder, it could have potential to treat other use disorders like alcohol, tobacco, cocaine and methamphetamine.

Microdosing Program

MindMed is developing a drug program based on sub-perceptual amounts of LSD. We believe this will be the first ever Phase 2 microdosing trial for adult ADHD, a condition that afflicts an estimated 10 million people in the USA.[2] MindMed is developing intellectual property that will enable LSD and psilocybin microdoses to be taken at home. As always, these will be developed through conducting FDA clinical trials under rigorous scientific conditions, thereby enabling a clear regulatory pathway for the development and production of the treatments. This would be a novel treatment in the ADHD market, which is dominated by stimulants.

Future Strategy & Growth

MindMed will continue to adapt and improve its strategy in the future as it continues to learn, but MindMed's objective will not change: To build a comprehensive platform for the development of medicines based on psychedelic substances and seek to transform these substances into IP-protected, approved medicines. Such medicines will benefit all society by disrupting the enormous economic loss in the United States and elsewhere due to mental health, addiction and other

[1] USA, The Council of Economic Advisors, *The Economic Report of the President*, (February 2018).
[2] "Overview", *Children and Adults with Attention-Deficity/Hyperactivity Disorder (CHADD)*, online: https://chadd.org/for-adults/overview/.

high unmet medical needs. All of our drug development programs will employ best in class practices and be in strict compliance with drug development regulatory and supervisory bodies.

In order to build the most compelling drug development platform for psychedelic inspired medicines, we may from time to time seek to acquire innovative IP companies, clinical trials, and infrastructure. The Company has an active strategy and process to evaluate such opportunities and through rigorous due diligence determine if such assets would make a compelling addition to our drug development platform.

Future R&D and Intellectual Property Strategy

We maintain a best in class IP development strategy to protect unique discoveries or data that the Company discovers through our R&D programs. This encompasses the research and development of new and improved psychedelic inspired medicines ranging from proprietary psychedelic compounds to non-psychedelic analogs with medicinal properties. While our clinical development programs are MindMed's first priority, our proprietary research and development programs are essential to advancing our product portfolio position as the leader in psychedelic inspired medicines. Prior to the acquisition of the 18-MC program by MindMed, Savant Addiction Medicine, LLC maintained intellectual property as trade secrets. Following the acquisition, MindMed filed a U.S. Provisional Patent Application entitled 18-MC FOR TREATMENT OF SUBSTANCE USE DISORDERS (No.: 62/908,754, filed October 1, 2019) encompassing the intellectual property previously held as trade secrets. This application covers extensive data on 18-MC in humans, including surprising results relating to absorption and metabolism in humans and human pharmacokinetic activity. For the time being, MindMed maintains most of its intellectual property generated by its R&D programs as trade secrets. We anticipate that as these programs mature patent applications will be filed and more details about these programs will be available at that time.

Product Information and Distribution

MindMed does not currently market or distribute any products. Product information will be available following regulatory approval of its products, should that approval occur. Approval may not mean uniform approval for all countries or regions. MindMed currently relies on contract manufacturers for the production of 18-MC and its other drug candidates it is developing through its platform. In the future it may elect to establish joint-ventures or collaborations to further build manufacturing as part of its drug development platform for psychedelic inspired medicines. We envision that hallucinogenics will need to be administered in specialized clinics or hospitals under the supervision of medical professionals, and that non-hallucinogenic medicines will be prescribed by a doctor and picked up from a local pharmacy in the existing healthcare system.

LEGAL PROCEEDINGS

To our knowledge, there have not been any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, those involving any third party, and governmental proceedings pending or known to be contemplated, which may have, or have had in the recent past, significant effect on our financial position or profitability.

Also, to our knowledge, there have been no material proceedings in which any director, any member of senior management, or any of our affiliates is either a party adverse to us or has a material interest adverse to us.

RESULTS OF OPERATIONS

For the period from May 30, 2019, date of incorporation, to December 31, 2019

Overview

Since inception, we have incurred losses while advancing the research and development of our products. Net loss for the period from May 30, 2019, date of incorporation, to December 31, 2019 (hereinafter referred to as the "period ended December 31, 2019) was $5,474,214. The net loss was due primarily to compensation paid to management of $1,173,538 and legal fees of $1,045,048.

Research and Development

Research and development expenses by program for the period ended December 31, 2019 were as follows:

18-MC program (Note 1)	$	645,192
LSD program (Note 1)		863,414
Non-program specific (Note 1)		540,438
Total	**$**	**2,049,044**

Note:
(1) Research and development expenditures in the above table include all direct and indirect costs for the programs, personnel costs, intellectual property.

During 2019, our resources were focused primarily on the development of our 18-MC and LSD programs.

General and Administrative

Components of general and administrative expenses for the period ended December 31, 2019 were as follows:

Consulting fees, short-term benefits and other compensation	$	1,173,538
Legal fees		1,045,048
Accounting and audit		312,105
Marketing		185,271
Travel		154,965
Other		234,243
	$	**3,105,170**

Finance income and costs and foreign exchange gains and losses

Share-based compensation of $72,503 for the period ended December 31, 2019 resulted from a loan made to a director of the Company to purchase shares of the Company. The loan has been accounted for as an option plan since the Company does not have full recourse to the outstanding loan balance.

Finance income for the period ended December 31, 2019 of $11,632 consisted of interest income on a money market account.

Interest expense for the period ended December 31, 2019 of $2,104 consisted of interest on a loan from a member of the board of directors of the Company ("Board of Directors").

During the period ended December 31, 2019, we recorded a net foreign currency gain of $17,975. The net foreign currency gain in the current period reflected a strengthening of the U.S. dollar versus the Canadian dollar while holding net U.S. dollar denominated assets.

LIQUIDITY AND CAPITAL RESOURCES

Cash and working capital

Since inception, we have financed our operations primarily from issuance of equity and from interest income on funds available for investment. Our primary capital needs are for funds to support our scientific research and development activities including staffing, manufacturing, preclinical studies, clinical trials, administrative costs and for working capital.

We have experienced operating losses and cash outflows from operations since incorporation, will require ongoing financing in order to continue our research and development activities and we have not earned any revenue or reached successful commercialization of our products. Our future operations are dependent upon our ability to finance our

cash requirements which will allow us to continue our research and development activities and the commercialization of our products. There can be no assurance that we will be successful in continuing to finance our operations.

In July 2019, we issued 35,000,000 Class B common shares ("Class B Shares") at a price of $0.0001 per share for gross proceeds of $3,500.

In September 2019, we completed a non-brokered private placement financing of common shares. In the offering, we sold 45,972,630 Class C common shares ("Class C Shares") at a price of $0.10 per share. The gross proceeds from this offering were $4,597,263. Additionally, the Company settled an outstanding loan of $100,000 and interest owing of $2,104 through the issuance of 1,021,041 Class C Shares to a member of the Board of Directors of the Company.

In September 2019, the Company sold 10,000,000 Class D common shares ("Class D Shares") to two members of the Board of Directors of the Company, at a price of $0.10 per share yielding gross proceeds of $1,000,000.

In December 2019, MindMed entered into an agency agreement with Canaccord Genuity Corp. ("Canaccord") and completed the first tranche of a brokered private placement as well as a concurrent non-brokered private placement, issuing a total of 18,771,897 MindMed Class D Shares at a price of $0.33 CAD ($0.25) per share for gross proceeds of $4,727,106, before deducting cash share issuance costs of $442,921. On closing of the first tranche, MindMed issued Canaccord, as agent, 313,472 broker warrants ("Broker Warrants"). Additionally, MindMed paid a cash advisory fee of $178,295 CAD and issued 1,000,561 advisory warrants ("Advisory Warrants", and together with the Broker Warrants, the "Compensation Warrants") to Canaccord. Each Compensation Warrant is exercisable to acquire one Class D Share at a price of $0.33 CAD per share expiring 12 months from the date the shares of the Resulting Issuer (as hereinafter defined) are listed on a Canadian stock exchange.

Our cash and working capital at December 31, 2019 were $3,016,445 and $4,775,341 respectively. The increase in cash was due mainly to the $9,902,052 of net financings mentioned above net of the cash used in operations of $3,199,710 and the funds held in trust of $3,685,897. The increase in working capital was due mainly to the net financings of $9,902,052 net of the loss of $5,474,214.

Cash flows from operating activities

Cash used in operating activities of $3,199,710 for the period ended December 31, 2019 was due mainly to the net loss of $5,474,214 partially offset by an increase in accounts payable and accrued liabilities of $1,961,199.

Cash flows from financing activities

Cash provided by financing activities totaled $9,902,052 for the period ended December 31, 2019. The funds arose from the financing activities in September and December 2019.

Contractual Obligations and Contingencies

We enter into research, development and license agreements in the ordinary course of business where we receive research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which is uncertain.

We periodically enter into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require us to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on our behalf. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents us from making a reasonable estimate of the maximum potential amount we could be required to pay. Historically, we have not made any indemnification payments under such agreements and no amount has been accrued in our financial statements with respect to these indemnification obligations.

Other than as disclosed below, we did not have any contractual obligations relating to long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or other long-term liabilities reflected on our statement of financial position as at December 31, 2019:

	Payment due by period				
Contractual Obligations[1]	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Purchase obligations[2]	$ 516,462	$ 516,462	$ -	$ -	$ -
Operating lease obligations[3]	16,580	7,520	9,060	-	-
	$ 533,042	**$ 523,982**	**$ 9,060**	**$ -**	**$ -**

Notes:
(1) Contractual obligations in the above table do not include amounts in accounts payable and accrued liabilities on our statement of financial position as at December 31, 2019.
(2) Purchase obligations include all non-cancellable contracts, and all cancellable contracts with $5,000 or greater remaining committed at the period end including agreements related to the conduct of our clinical trials, preclinical studies and manufacturing activities.
(3) Represents operating lease obligations for office facility.

DESCRIPTION OF SHARE CAPITAL

The continuity of the number of our issued and outstanding common shares from May 30, 2019 to the date of the reverse takeover is presented below:

	Number of Class A common shares	**Number of Class B common shares**	**Number of Class C common shares**	**Number of Class D common shares**
Balance at May 30, 2019	-	-	-	-
Issued on acquisition of 18-MC program	55,000,000	-	-	-
Founders shares issued	-	35,000,000	-	-
Issued in September 2019 private placement	-	-	46,993,671	-
Issued to two Directors	-	-	-	10,000,000
Share-based compensation	-	-	-	725,025
Issued in December 2019 private placement	-	-	-	18,771,897
Balance at December 31, 2019	55,000,000	35,000,000	46,993,671	29,496,922
Issued in February 2020 private placement	-	-	-	78,333,158
Balance at February 27, 2020, date of reverse takeover	**55,000,000**	**35,000,000**	**46,993,671**	**109,162,606**

Notes:
(1) Convertible at a ratio of one Class B common share for one Class A common share after completion of a reverse takeover.
(2) Convertible at a ratio of one Class C common share for one Class A common share after completion of a reverse takeover.
(3) Convertible at a ratio of one Class D common share for one Class A common share after completion of a reverse takeover.

Share capital issued – for the period ended December 31, 2019

In July 2019, 55,000,000 Class A common shares ("Class A Shares") were issued for the acquisition of the 18-MC program.

In July 2019, 35,000,000 Class B common shares ("Class B Shares") were issued to the founders of the Company for gross proceeds of $3,500.

In September 2019, the Company completed a non-brokered private placement financing and sold 45,972,630 Class C Shares at a price of $0.10 per share yielding gross proceeds of $4,597,263. The Company also settled an outstanding loan of $100,000 and interest owing of $2,104 through the issuance of 1,021,041 Class C Shares to a member of the Board of Directors of the Company. Total Class C Shares issued were 46,993,671 for proceeds of $4,699,367.

Also, in September 2019, the Company sold 10,000,000 Class D Shares to two directors of the Company at a price of $0.10 per share, yielding gross proceeds of $1,000,000 to the Company.

In December 2019, MindMed entered into an agency agreement with Canaccord and completed the first tranche of a brokered and non-brokered offering, issuing a total of 18,771,897 MindMed Class D Shares at a price of $0.33 CAD ($0.25) per share for gross proceeds of $4,727,106, before deducting cash share issuance costs of $442,921. On closing of the first tranche, MindMed issued an aggregate of 1,341,033 Compensation Warrants to Canaccord.

Fully Diluted Share Capital

The number of issued and outstanding common shares, warrants and stock options on a fully converted basis as at December 31, 2019 and at the date of this MD&A was as follows:

	Number of common Share Equivalents
Class A Shares	55.000.000
Class B Shares	35,000,000
Class C Shares	46,993,671
Class D Shares – September 2019	10,000,000
Class D Shares – December 2019	18.771.897
Calss D Shares	725,025
Warrants	1,314,033
Total – December 31, 2019	**167,804,626**
Class D Shares – February 2020	78,433,158
Warrants	5,483,321
Total – prior to reverse takeover	**251,721,105**

TREND INFORMATION

Historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures and therefore liquidity and capital resources vary substantially from period to period depending on the number of research and development programs being undertaken at any one time, the stage of the development programs, the timing of significant expenditures for manufacturing, toxicology and pharmacology studies and clinical trials and the availability of funding from investors and prospective commercial partners.

Selected Quarterly Financial Information

	Q4 - 2019	**Q3 2019**	**Q2 - 2019**
Revenue	$ -	$ -	$ -
Research and development expenses	1,597,659	425,185	26,200
General and administrative expenses	1,995,364	1,045,236	64,570
Net loss for the period	(3,766,105)	(1,617,339)	(90,770)
Basic and diluted net loss per share	0.02	0.03	0.00
Cash and funds held in trust	6,702,342	4,822,099	59,282
Total assets	**11,961,540**	**10,222,267**	**59,282**

Research and development expenses increased throughout 2019 due to the costs of preparing drug substance for clinical trials and the amortization of intangibles related to the acquisition of the 18-MC program. The net loss increased in the third quarter of 2019 due to higher personnel and legal costs. Cash increased in the third quarter due to the private placement financing undertaken in September 2019. Total assets increased in the third quarter of 2019 due to the acquisition of the 18-MC program and the financings in September 2019.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

TRANSACTIONS BETWEEN RELATED PARTIES

For the period from May 30, 2019 (date of incorporation) to December 31, 2019, the key management personnel of the Company were the board of directors, Executive Chair & Co-Chief Executive Officer, President & Chief Medical Officer, Co-Chief Executive Officer & Head of Investor Relations, Chief Scientific Officer and Chief Financial Officer.

Compensation for key management personnel of the Company for the period ended December 31, 2019 was as follows consisted of consulting fees, short-term benefits and other compensation of $1,064,445.

The Company incurred fees of $959,498 to companies controlled by a director of the Company.

As at December 31, 2019 the Company had accounts payables and accrued liabilities outstanding of $785,832 to companies controlled by directors.

The directors do not receive fees for their services.

Outstanding balances with related parties at period-end are secured and bear interest at 2% per annum.

FOURTH QUARTER

Components of research and development expenses for the three months ended December 31, 2019 were as follows:

Consulting fees and short-term benefits	**$** 453,597
Licensing fees	727,164
Manufacturing	251,973
Clinical research and regulatory	114,699
Other	50,226
	$ 1,597,659

General and Administrative

Components of general and administrative expenses for the period ended December 31, 2019 were as follows:

Consulting fees, short-term benefits and other compensation	$ 837,003
Legal fees	651,796
Accounting and audit	158,914
Marketing	185,270
Travel	154,965
Other	7,415
	$ 1,995,363

Finance income and costs and foreign exchange gains and losses

Share-based compensation of $62,928 for the three months ended December 31, 2019 resulted from a loan made to a director of the Company to purchase shares of the Company. The loan has been accounted for as an option plan since the Company does not have full recourse to the outstanding loan balance.

Finance income for the three months ended December 31, 2019 of $9,371 consisted of interest income on a money market account.

Interest expense for the three months ended December 31, 2019 was $0.

During the three months ended December 31, 2019, we recorded a net foreign currency gain of $18,822. The net foreign currency gain in the current quarter reflected a strengthening of the U.S. dollar versus the Canadian dollar while holding net U.S. dollar denominated assets.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities and the determination of our ability to continue as a going concern. Actual results could differ materially from these estimates and assumptions. We review our estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 2 of our audited financial statements for the period ended December 31, 2019.

ACCOUNTING POLICIES

Our significant accounting policies are set out in note 3 of our audited financial statements for the period ended December 31, 2019. This MD&A should be read in conjunction with the audited consolidated financial statements for the period ended December 31, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on our financial statements.

FINANCIAL INSTRUMENTS

Fair value

Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

Cash and accounts payable and accrued liabilities are all short-term in nature and, as such, their carrying values approximate fair values.

Risks

The Company has exposure to credit risk, liquidity risk, interest rate risk and currency risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the board of directors is responsible for reviewing the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash and funds held in trust are on deposit with major American and Canadian chartered banks and the Company invests in high-grade short-term instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The board of directors reviews and approves the Company's operating and capital budgets, as well as any material transactions not in the ordinary course of business.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds its cash in bank accounts or high-interest money market accounts that have a variable rate of interest. The Company manages its interest rate risk by holding highly liquid short-term instruments and by holding its investments to maturity, where possible. The Company earned interest income for the period ended December 31, 2019 of $11,632. Therefore, a 100 basis point change in the average interest rate for the period ended December 31, 2019 would have a net impact on finance income of $7,800.

(d) **Currency risk**

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the United States dollar, which are primarily expenses in Canadian dollars and Swiss francs. As at December 31, 2019, the Company held CAD dollar denominated cash and funds held in trust of $3,067,000 CAD and had CAD dollar and Swiss franc denominated accounts payable and accrued liabilities in the amounts of $748,000 CAD and CHF 204,000 respectively. Therefore, a 1% change in the foreign exchange rate would have a net impact as at December 31, 2019 of $15,777.

CAD dollar and Swiss franc expenses for the period ended December 31, 2019 were $1,602,000 CAD and CHF 702,000 respectively. Varying the foreign exchange rate for the period ended December 31, 2019 to reflect a 1% strengthening of the U.S. dollar would have decreased the net loss by approximately $19,400 assuming that all other variables remained constant.

SUBSEQUENT EVENTS

On February 27, 2020, the Resulting Issuer (formerly Broadway) announced the completion of its previously announced reverse takeover transaction (the "Transaction") by the shareholders of Broadway by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") pursuant to the terms of an arrangement agreement entered into on October 15, 2019 (the "Arrangement Agreement") between Broadway, Madison Metals Inc. ("SpinCo"), Broadway Delaware Subco Inc. ("Delaware Subco") and the Company.

The Arrangement

Name Change, Consolidation and Change in Share Classes

Immediately prior to the closing of the Transaction and in connection with the Arrangement, Broadway: (a) consolidated its common shares on an eight-for-one basis (the "Consolidation"), (b) changed its name to "Mind Medicine (MindMed) Inc." (the "Name Change"), (c) reclassified its post-Consolidation common shares as subordinate voting shares (the "Subordinate Voting Shares") and (d) created a new class of multiple voting shares (the "Multiple Voting Shares") ((c) and (d) together, the "Share Capital Amendment"). Broadway's registered shareholders received replacement share certificates evidencing the Consolidation, Name Change and Share Capital Amendment (the "Replacement Shares").

Merger of the Company and Delaware Subco

Further to the terms of the Arrangement, Delaware Subco merged with the Company under the corporate laws of Delaware. All outstanding Class B Shares, Class C Shares and Class D Shares of the Company were exchanged for Class A Shares, immediately following which all Class A Shares were exchanged, on a one-for-one basis (the "Exchange Ratio"), for Subordinate Voting Shares or Multiple Voting Shares (in the case of Multiple Voting Shares the exchange was on a one-for-one-thousand basis) of the Resulting Issuer ("Resulting Issuer Shares") on a post-Consolidation basis. Such Class A Shares were then cancelled pursuant to the Arrangement, and the Company issued 1,000 shares of common stock to the Resulting Issuer as consideration for issuing the Resulting Issuer Shares to the (former) Company shareholders. Additionally, all convertible securities of the Company were exchanged for convertible securities of the Resulting Issuer on the basis of the Exchange Ratio.

Concurrent financings

The Company also completed its previously announced brokered private placement financing, in multiple tranches, of Class D Shares at a price of $0.33 CAD per share (the "Brokered Private Placement") for aggregate gross proceeds of $1,768,652 (which does not include the first tranche of $1,119,542, which was closed in December 2019 and is reflected in the financial statements), as well as a concurrent non-brokered private placement financing of Class D Shares at a price of $0.33 CAD per share (the "Non-Brokered Private Placement" and, together with the Brokered Private Placement, the "Company Private Placements") for aggregate gross proceeds of $17,804,789 (which does not include the first tranche of $3,607,564, which was closed in December 2019 and is reflected in the financial statements). The aggregate gross proceeds of the Company Private Placements were $19,573,441 (not including $4,727,106 raised in the first tranche).

In connection with the Brokered Private Placement, Canaccord Genuity Corp. ("Canaccord") received an aggregate cash fee of $202,173 ($266,869 CAD) and was issued an aggregate of 808,695 broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable to acquire one Class D Share at a price of $0.33 CAD expiring 12 months from the date on which the Resulting Issuer Shares are listed on a Canadian exchange (see Neo Exchange Listing below). Additionally, the Company also paid a cash advisory fee of $327,313 ($432,053 CAD) and issued 5,148,659 advisory warrants (the "Advisory Warrants") to Canaccord, and paid a cash advisory fee of $300,000 and issued 840,000 Advisory Warrants to Eight Capital (in relation to a non-Canadian investor), in conjunction with the Non-Brokered Private Placement. Each Advisory Warrant is exercisable on the same terms and conditions as the Broker Warrants.

Neo Exchange listing

The Subordinate Voting Shares of the Resulting Issuer were listed for trading on the Neo Exchange Inc. ("Neo Exchange") on March 3, 2020.

RISK FACTORS

The following information sets forth material risks and uncertainties that may affect our business, including our future financing and operating results and could cause our actual results to differ materially from those contained in forward-looking statements we have made in this MD&A. The risks and uncertainties below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business. Further, if we fail to meet the future expectations of the public market in any given

period now that the Company's shares are listed, the market price of our Subordinate Voting Shares could decline. We operate in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of our control.

Risks Related to Our Financial Position and Need for Additional Capital

We expect to incur future losses and we may never become profitable.

We have incurred a loss of $5,474,214 for the period ended December 31, 2019 and expect to incur an operating loss for the year ending December 31, 2020. We have an accumulated deficit since inception through December 31, 2019 of $5,474,214. We believe that operating losses will continue as we are planning to incur significant costs associated with the clinical development of 18-MC and other collaborative projects. Our net losses have had and will continue to have an adverse effect on, among other things, our shareholders' equity, total assets and working capital. We expect that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. We cannot predict when we will become profitable, if at all.

We will require additional capital to finance our operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of our product candidates or develop new product candidates.

As a research and development company, we expect to spend substantial funds to continue the research, development and testing of our product candidates and to prepare to commercialize products subject to approval of the FDA in the U.S. and similar approvals in other jurisdictions. We will also require significant additional funds if we expand the scope of our current clinical plans or if we were to acquire any new assets and advance their development. Therefore, for the foreseeable future, we will have to fund all of our operations and development expenditures from cash on hand, equity financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. We expect that our existing cash and funds held in trust as at December 31, 2019 of $6,702,342, combined with the additional funds raised in February 2020, will enable us to fund our current operating plan requirements for at least the next year. Additional financing will be required to meet our longer-term liquidity needs. If we do not succeed in raising additional funds on acceptable terms, we might not be able to complete planned preclinical studies and clinical trials or pursue and obtain approval of any product candidates from the FDA and other regulatory authorities. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of our corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals, the state of the capital markets generally and with particular reference to drug development companies, the status of strategic alliance agreements and other relevant commercial considerations. If adequate funding is not available, we may be required to delay, reduce or eliminate one or more of our product development programs, or obtain funds through corporate partners or others who may require us to relinquish significant rights to product candidates or obtain funds on less favourable terms than we would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our intangible assets and our ability to continue our clinical development plans may become impaired, and our assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

We currently have no product revenue and will not be able to maintain our operations and research and development without additional funding.

To date, we have generated no product revenue and cannot predict when and if we will generate product revenue. Our ability to generate product revenue and ultimately become profitable depends upon our ability, alone or with partners, to successfully develop our product candidates, obtain regulatory approval, and commercialize products, including any of our current product candidates, or other product candidates that we may develop, in-license or acquire in the future. We do not anticipate generating revenue from the sale of products for the foreseeable future. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we advance our product candidates through clinical trials.

We are exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates.

We may be adversely affected by foreign currency fluctuations. To date, we have been primarily funded through issuances of equity and from interest income on funds available for investment, which are primarily denominated in U.S. dollars. Also, a significant portion of our expenditures are in other currencies, and we are therefore subject to foreign currency fluctuations which may, from time to time, impact our financial position and results of operations.

Risks Related to Our Business and Our Industry

Our prospects depend on the success of our product candidates which are at early stages of development, and we may not generate revenue for several years, if at all, from these products.

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada ("HC") or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced clinical trials for 18-MC, we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause us or our collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our future clinical trials of 18-MC and other programs, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

We rely and will continue to rely on third parties to plan, conduct and monitor our preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to our business.

We rely and will continue to rely on third parties to conduct a significant portion of our preclinical and clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design,

regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in our relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, our active development programs will face delays. Further, if any of these third parties fails to perform as we expect or if their work fails to meet regulatory requirements, our testing could be delayed, cancelled or rendered ineffective.

We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, our business operations could suffer significant harm.

We have limited manufacturing experience and rely on contract manufacturing organizations ("CMOs") to manufacture our product candidates for preclinical studies and clinical trials. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP regulations applicable to our products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product.

There can be no assurances that CMOs will be able to meet our timetable and requirements. We have not contracted with alternate suppliers for 18-MC drug substance production in the event that the current provider is unable to scale up production, or if it otherwise experiences any other significant problems. If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the development of our product candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our profit margins and our ability to develop and deliver products on a timely and competitive basis.

We require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing pivotal trials and our business operations could suffer significant harm.

To date, our product has been manufactured in small quantities for pre-clinical studies and clinical trials by third party manufacturers. In order to commercialize our product, we need to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If we have not scaled up and validated the commercial production of our product prior to the commencement of pivotal clinical trials, we may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality drug product requires significant efforts including, but not limited to scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, multiple process performance and validation runs, has long lead times and is very expensive. If we do not have commercial drug supply available when needed for pivotal clinical trials, our regulatory and commercial progress may be delayed, and we may incur increased product development cost. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical 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 pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

If we experience delays in clinical testing, we will be delayed in commercializing our product candidates, and our business may be substantially harmed.

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our CMOs to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from CMOs of our products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of our contract research organizations ("CROs") to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities, IRBs or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects.

We may not be able to file INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all.

Prior to commencing clinical trials in the United States for any of our product candidates, we may be required to have an allowed IND for each product candidate and to file additional INDs prior to initiating any additional clinical trials for 18-MC. We believe that the data from previous studies will support the filing of additional INDs to enable us to undertake additional clinical studies as we have planned. However, submission of an IND may not result in the FDA allowing further clinical trials to begin and, once begun, issues may arise that will require us to suspend or terminate such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, these regulatory authorities may change their requirements in the future. Failure to submit or have effective INDs and commence or continue clinical programs will significantly limit our opportunity to generate revenue.

If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled.

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. There is significant competition for recruiting patients in clinical trials, and we may be unable to enroll the patients we need to complete clinical trials on a timely basis or at all. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

Regulatory approval processes are lengthy, expensive and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates would substantially harm our business.

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;

- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of an IND or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom we contract for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

We may not achieve our publicly announced milestones according to schedule, or at all.

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of common shares.

We face competition from other biotechnology and pharmaceutical companies and our financial condition and operations will suffer if we fail to effectively compete.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Our competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications we are targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our product candidates may be useful. Although there are no approved therapies that specifically target opioid addiction, some competitors use therapeutic approaches that may compete directly with our product candidates.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do. Our ability to compete successfully will largely depend on:

- the efficacy and safety profile of our product candidates relative to marketed products and other product candidates in development;
- our ability to develop and maintain a competitive position in the product categories and technologies on which we focus;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;

- our ability to obtain required regulatory approvals;
- our ability to commercialize any of our product candidates that receive regulatory approval;
- our ability to establish, maintain and protect intellectual property rights related to our product candidates; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors have developed and may develop technologies that could be the basis for products that challenge the discovery research capabilities of 18-MC. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than our product candidates and may be more effective or less costly than our product candidates. The success of our competitors and their products and technologies relative to our technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of our product candidates, including our ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact our ability to generate future product development programs using 18-MC.

If we are not able to compete effectively against our current and future competitors, our business will not grow, and our financial condition and operations will substantially suffer.

We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.

The loss of Stephen Hurst, our Executive Chair and Co-Chief Executive Officer, Jamon Rahn, our Co-Chief Executive Officer or other key members of our staff, could harm us. We do not have employment agreements with any members of our staff, although such employment agreements do not guarantee their retention. We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, we believe that our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as we expand our activities and seek regulatory approvals for clinical trials. We enter into agreements with our scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. We also enter into agreements with physicians and institutions who will recruit patients into our clinical trials on our behalf in the ordinary course of our business. Notwithstanding these arrangements, we face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth. The loss of the services of any of our executive officers or other key personnel could potentially harm our business, operating results or financial condition.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we have established, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a substantial impact on our business and results of operations, including the imposition of substantial fines or other sanctions.

We may expand our business through the acquisition of companies or businesses or by entering into collaborations or by in-licensing product candidates, each of which could disrupt our business and harm our financial condition.

We have in the past and may in the future seek to expand our pipeline and capabilities by acquiring one or more companies or businesses, entering into collaborations, or in-licensing one or more product candidates. Acquisitions, collaborations and in-licenses involve numerous risks, including, but not limited to:

- substantial cash expenditures;
- technology development risks;
- potentially dilutive issuances of equity securities;
- incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition;
- difficulties in assimilating the operations of the acquired companies;
- potential disputes regarding contingent consideration;
- diverting our management's attention away from other business concerns;
- entering markets in which we have limited or no direct experience; and
- potential loss of our key employees or key employees of the acquired companies or businesses.

We have experience in making acquisitions, entering collaborations and in-licensing product candidates; however, we cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to us. We may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, our future success would depend in part on our ability to manage the rapid growth associated with some of these acquisitions, collaborations and in-licenses. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of our business may require a substantial capital investment by us.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on our future commercialization efforts.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

We face the risk of product liability claims, which could exceed our insurance coverage and produce recalls, each of which could deplete our cash resources.

We are exposed to the risk of product liability claims alleging that use of our product candidates caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of our product candidates and may be made directly by patients involved in clinical trials of our product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling our products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. We currently maintain clinical trial liability insurance coverage of $2,000,000. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available to us at a cost acceptable to us or at all. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of our coverage, require us to pay a substantial monetary award from our own cash resources and have a material adverse effect on our business, financial condition

and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about our products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

If we are unable to maintain product liability insurance required by our third parties, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Some of our licensing and other agreements with third parties require or might require us to maintain product liability insurance. If we cannot maintain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Risks Related to Intellectual Property

If we are unable to adequately protect and enforce our intellectual property, our competitors may take advantage of our development efforts or acquired technology and compromise our prospects of marketing and selling our key products.

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

If we lose our licenses from third-party owners, we may be unable to continue a substantial part of our business.

We are party to licenses that give us rights to intellectual property that is necessary or useful for a substantial part of our business.

We may also enter into licenses in the future to access additional third-party intellectual property. If we fail to pay annual maintenance fees, development and sales milestones, or it is determined that we did not use commercially reasonable efforts to commercialize licensed products, we could lose our licenses which could have a material adverse effect on our business and financial condition.

We may require additional third-party licenses to effectively develop and manufacture our key products and are currently unable to predict the availability or cost of such licenses.

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover our products or services, we or our strategic collaborators would

be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce our profits from these products and services. We are currently unable to predict the extent to which we may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the U.S. or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Our inability to obtain such licenses may hinder or eliminate our ability to manufacture and market our products.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the U.S. Patent and Trademark Office ("USPTO") the laws and regulations governing patents could change in unpredictable ways that would weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act ("Leahy-Smith Act") was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents, all of which could have a material adverse effect on our business and financial condition.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of our key products.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization.

In addition, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our key products; and/or
- the enforceability, validity, or scope of protection offered by our patents relating to our key products.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, we may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our key products to market; and/or
- be precluded from participating in the manufacture, use or sale of our key products or methods of treatment requiring licenses.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties to develop our products, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaborations or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets may impair our competitive position and could have a material adverse effect on our business and financial condition.

Risks Related to Our Subordinate Voting Shares

The market prices for securities of biopharmaceutical companies have historically been volatile.

A number of factors could influence the volatility in the trading price of our Subordinate Voting Shares, including changes in the economy or in the financial markets, industry related developments, the results of product development and commercialization, changes in government regulations, and developments concerning proprietary rights, litigation and cash flow. Our quarterly losses may vary because of the timing of costs for manufacturing, preclinical studies and clinical trials. Also, the reporting of adverse safety events involving our products and public rumors about such events could cause our share price to decline or experience periods of volatility. Each of these factors could lead to increased volatility in the market price of our Subordinate Voting Shares. In addition, changes in the market prices of the securities of our competitors may also lead to fluctuations in the trading price of our Subordinate Voting Shares.

We have never paid dividends and do not expect to do so in the foreseeable future.

We have not declared or paid any cash dividends on our Subordinate Voting Shares to date. The payment of dividends in the future will be dependent on our earnings and financial condition in addition to such other factors as our board of directors considers appropriate. Unless and until we pay dividends, shareholders may not receive a return on their shares. There is no present intention by our board of directors to pay dividends on our shares.

Future sales or issuances of equity securities and the conversion of outstanding securities to Subordinate Voting Shares could decrease the value of the Subordinate Voting Shares, dilute investors' voting power, and reduce our earnings per share.

We may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional Subordinate Voting Shares, which may result in dilution.

Our board of directors has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth,

it is likely that we will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Subordinate Voting Shares at prices less than the current market price for our Subordinate Voting Shares.

Sales of substantial amounts of our securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of our Subordinate Voting Shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The effect of comprehensive U.S. tax reform legislation on the Company is uncertain.

On December 22, 2017, the U.S. government enacted H.R. 1, "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018" (informally titled the "Tax Cuts and Jobs Act"). Among a number of significant changes to the U.S. federal income tax rules, the Tax Cuts and Jobs Act reduces the marginal U.S. corporate income tax rate from 35% to 21%, limits the deduction for net interest expense, shifts the United States toward a more territorial tax system, and imposes new taxes to combat erosion of the U.S. federal income tax base, such as a one-time tax on earnings of certain foreign subsidiaries that were previously tax deferred and a new minimum tax on foreign earnings. The effects of the Tax Cuts and Jobs Act on the Company, whether adverse or favorable, are uncertain, and may not become evident for some period of time but could have a material adverse effect on our business, financial position or results from operations.

It may be difficult for non-American investors to obtain and enforce judgments against us because of our United States incorporation and presence.

As of December 31, 2019, we are a corporation existing under the laws of the State of Delaware, United States of America. Some of our directors and officers, and some of the experts are residents of the United States, and all or a substantial portion of their assets, and a substantial portion of our assets, are located outside Canada. Consequently, it may be difficult for holders of our securities who reside in Canada to effect service within Canada upon those directors and officers, and the experts who are not residents of Canada. It may also be difficult for holders of our securities who reside in Canada to realize in Canada upon judgments of courts of Canada predicated upon our civil liability and the civil liability of our directors, officers and experts under Canadian federal securities laws. Investors should not assume that American courts (i) would enforce judgments of Canadian courts obtained in actions against us or such directors, officers or experts predicated upon the civil liability provisions of Canadian federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of Canada or (ii) would enforce, in original actions, liabilities against us or such directors, officers or experts predicated upon the Canadian federal securities laws or any securities laws of any province or jurisdiction of Canada. In addition, the protections afforded by American securities laws may not be available to investors in Canada. On February 27, 2020, through the Transaction, MindMed was acquired by the Resulting Issuer, which is now the Canadian parent to MindMed, thereby mitigating to some extent this risk.

Any failure to maintain an effective system of internal controls may result in material misstatements of our financial statements or cause us to fail to meet our reporting obligations or fail to prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our Subordinate Voting Shares.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our Subordinate Voting Shares. While we believe that we have sufficient personnel and review procedures to allow us to maintain an effective system of internal controls, we cannot provide assurance that we will not experience potential material weaknesses in our internal control. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations. If we

fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to produce reliable financial reports or help prevent fraud. Our failure to achieve and maintain effective internal control over financial reporting could prevent us from complying with our reporting obligations on a timely basis, which could result in the loss of investor confidence in the reliability of our consolidated financial statements, harm our business and negatively impact the trading price of our Subordinate Voting Shares.

There is no assurance of an active or liquid market

No assurance can be given that an active or liquid trading market for the Subordinate Voting Shares will be sustained. If an active or liquid market for the Subordinate Voting Shares fails to be sustained, the prices at which such securities trade may be adversely affected. Whether or not the common shares will trade at lower prices depends on many factors, including the liquidity of the Subordinate Voting Shares, prevailing interest rates, the markets for similar securities, general economic conditions and our financial condition, historic financial performance and future prospects.

Public markets and share prices

The market price of the Subordinate Voting Shares on the Neo Exchange could be subject to significant fluctuations in response to variations in our operating results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Subordinate Voting Shares that may become listed and posted for trading on the Neo Exchange or any other stock exchange regardless of the operating performance of the Company. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Subordinate Voting Shares.

Additional issuances and dilution

We may issue and sell additional securities to finance our operations. We cannot predict the size or type of future issuances of our securities or the effect, if any, that future issuances and sales of securities will have on the market price of any of our securities issued and outstanding from time to time. Sales or issuances of substantial amounts of our securities, or the perception that such sales could occur, may adversely affect prevailing market prices for our securities issued and outstanding from time to time. With any additional sale or issuance of our securities, holders will suffer dilution with respect to voting power and may experience dilution in our earnings per share.

We have broad discretion in the use of the net proceeds from the sale of securities

Our management will have broad discretion with respect to the application of net proceeds received from the sale of securities and may spend such proceeds in ways that do not improve our results of operations or enhance the value of the Subordinate Voting Shares or any other securities outstanding from time to time. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business or cause the price of our securities issued and outstanding from time to time to decline.

Foreign Private Issuer Status of Resulting Issuer

The Resulting Issuer is a Foreign Private Issuer (as defined in Rule 405 under the U.S. Securities Act and Rule 3b-4 under the U.S. Exchange Act). The term "Foreign Private Issuer"" is defined as any non-U.S. corporation, other than a foreign government, except any issuer meeting the following conditions:

1. more than 50 percent of the outstanding voting securities of such issuer are, directly or indirectly, held of record by residents of the United States; and
2. any one of the following:
    a. the majority of the executive officers or directors are United States citizens or residents, or
    b. more than 50 percent of the assets of the issuer are located in the United States, or
    c. the business of the issuer is administered principally in the United States.

For purposes of determining whether more than 50% of our outstanding voting securities are held "of record" by U.S. residents, we must "look through" the record ownership of brokers, dealers, banks, or nominees holding securities for the accounts of their customers, and also consider any beneficial ownership reports or other information available to us. The Resulting Issuer must conduct this "look through" in three jurisdictions: the United States, Canada (the

Resulting Issuer's home jurisdiction), and the primary trading market for our voting securities, if different from our home jurisdiction. Additionally, if we are not able to obtain information about the record holders' accounts after reasonable inquiry, we may rely on the presumption that such accounts are held in the broker's, dealer's, bank's, or nominee's principal place of business.

In December 2016, the SEC issued a Compliance and Disclosure Interpretation to clarify that issuers with multiple classes of voting stock carrying different voting rights may, for the purposes of calculating compliance with this threshold, examine either (i) the combined voting power of its share classes, or (ii) the number of voting securities, in each case held of record by U.S. residents. Based on this interpretation, each issued and outstanding Multiple Voting Share is counted as one voting security, and each issued and outstanding Subordinate Voting Share is counted as one voting security for the purposes of determining the 50% U.S. resident threshold. Accordingly, are currently treated as a Foreign Private Issuer. However, should the SEC's guidance and interpretation change, we may lose its Foreign Private Issuer status.

Loss of Foreign Private Issuer Status

The Resulting Issuer may lose our status as a Foreign Private Issuer if, as of the last business day of its second fiscal quarter for any year, more than 50% of our outstanding voting securities (as determined under Rule 405 of the U.S. Securities Act) are directly or indirectly held of record by residents of the United States. Loss of Foreign Private Issuer status may have adverse consequences on our ability to raise capital in private placements or Canadian prospectus offerings. In addition, loss of our Foreign Private Issuer status would likely result in increased reporting requirements and increased audit, legal and administration costs. Further, should we seek to list on a securities exchange in the United States, loss of Foreign Private Issuer status may increase the cost and time required for such a listing. These increased costs may have a material adverse effect on the business, financial condition or results of operations of the Company.

We could lose our status as a Foreign Private Issuer if all or a portion of the Multiple Voting Shares directly or indirectly held of record by U.S. residents are converted into Subordinate Voting Shares. The conversion rights attached to the Multiple Voting Shares contain restrictions on conversion that are intended to avoid such a result; however there can be no guarantee that such restrictions on conversion will be effective to prevent us from potentially losing Foreign Private Issuer status if a sufficient number of Multiple Voting Shares are converted into Subordinate Voting Shares and such Subordinate Voting Shares are acquired, either upon conversion or pursuant to a subsequent transaction, by U.S. residents. In addition, we could potentially lose our Foreign Private Issuer status as a result of future issuances of Subordinate Voting Shares from treasury to the extent such shares are acquired by U.S. residents.

Novel Coronavirus

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact our operations, could cause delays relating to approval from U.S. Food and Drug Administration and equivalent organizations in other countries, could postpone research activities, and could impair our ability to raise funds depending on COVID-19s effect on capital markets.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

We have implemented a system of internal controls that we believe adequately protects our assets and is appropriate for the nature of our business and the size of our operations. Our internal control system was designed to provide reasonable assurance that all transactions are accurately recorded, that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our assets are safeguarded. These internal controls include disclosure controls and procedures designed to ensure that information required to be disclosed by us

is accumulated and communicated as appropriate to allow timely decisions regarding required disclosure. Internal control over financial reporting means a process designed by or under the supervision of the Chair and co-Chief Executive Officer and the Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. The internal controls are not expected to prevent and detect all misstatements due to error or fraud. There were no changes in our internal control over financial reporting that occurred during the period ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As at December 31, 2019, we have assessed the effectiveness of our internal control over financial reporting and disclosure controls and procedure. Based on their evaluation, the Chair and Co-Chief Executive Officer and the Chief Financial Officer have concluded that these controls and procedures are effective.

There have been no changes in the Company's internal controls over financial reporting during the three months ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chair and Co-Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.