Novamind Inc.
(formerly Hinterland Metals Inc.)

Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

Novamind Inc.
(formerly Hinterland Metals Inc.)
Condensed Interim Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2021	As at June 30, 2020
Assets		
Current Assets		
Cash	$ 7,616,948	$ 2,845,018
Subscription receivable	-	52,500
Accounts receivable	1,047,645	-
Prepaid expenses	54,562	18,667
Marketable securities (note 6)	2,355,988	147,461
Total Current Assets	11,075,143	3,063,646
Convertible debenture receivable (note 10)	1,227,951	1,139,590
Interest receivable (note 10)	110,376	48,169
Marketable securities (Note 6)	-	49,154
Property and equipment (note 7)	323,744	-
Right of-use-asset (Note 8)	3,705,155	-
Intangible assets (note 9)	636,105	-
Goodwill (note 9)	1,477,171	-
Total Assets	$ 18,555,645	$ 4,300,559
Liabilities		
Current Liabilities		
Accounts payable	$ 403,795	$ 329,413
Accrued liabilities	245,803	115,034
Loan payable to related party (note 17)	50,300	-
Lease liabilities (note 11)	388,816	-
Government loan payable (note 12)	2,358	-
Total Current Liabilities	1,091,072	444,447
Government loan payable (note 12)	6,745	-
Lease liabilities (note 11)	3,571,518	-
Deferred income tax liability	177,000	-
Total Liabilities	4,846,335	444,447
Shareholders' Equity		
Share capital (note 13)	17,462,078	4,334,505
Shares to be issued (note 4)	230,625	727,500
Warrants (note 14)	1,257,433	123,601
Contributed surplus (note 14)	1,163,608	-
Accumulated other comprehensive (loss)	(176,603)	-
Deficit	(6,227,831)	(1,329,494)
Total Shareholders' Equity	13,709,310	3,856,112
Total Liabilities and Shareholders' Equity	$ 18,555,645	$ 4,300,559

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

Nature of Operations and Going Concern (Note 1)
Subsequent Event (Note 20)

On Behalf of the Board: *"Yaron Conforti"* **Director** *"Sruli Weinreb"* **Director**

Novamind Inc.
(formerly Hinterland Metals Inc.)
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020	Nine months ended March 31, 2021	Period from May 22, 2019 (Date of incorporation) to March 31, 2020
Revenues				
Service fee income	$ 1,800,397	$ -	$ 4,219,568	$ -
Clinical trial income	45,735	-	99,678	-
	1,846,132	-	4,319,246	-
Cost of services (note 18)	479,444	-	1,641,874	-
Gross margin	1,366,688	-	2,677,372	-
Expenses				
Consulting fees	240,229	96,250	1,181,552	480,167
Depreciation and amortization (notes 7,8 and 9)	152,436	-	321,456	-
Interest expense and bank charges	151,323	-	302,043	-
Stock-based payments (Notes 13,14 and 15)	958,726	-	1,163,608	472,500
Professional fees	1,244,639	1,036	1,985,433	1,036
Office and general	319,978	82,941	607,639	130,898
Advertising and promotion	715,633	4,545	1,053,346	21,068
Filing fees	2,420	-	23,070	-
Salaries and wages	319,213	-	823,546	-
Software license fees	93,874	-	214,054	-
Investor relations	179,141	-	179,141	-
Total Expenses	4,377,612	184,772	7,854,888	1,105,669
Other (Income) Expense				
RTO transaction cost	-	-	1,379,144	-
Foreign exchange	134,661	-	119,750	-
Unrealized gain of marketable securities and convertible debentures (note 6)	(1,064,396)	-	(1,264,617)	-
Loss on conversion of convertible debenture	24,569	-	24,569	-
Gain on disposition of marketable securities (note 6)	(373,900)	-	(373,900)	-
Interest income	(32,717)	-	(97,125)	-
				-
Loss before income taxes	(1,699,141)	(184,772)	(4,965,337)	(1,105,669)
Deferred income tax recovery	-	-	(67,000)	-
Net loss for the period	$ (1,699,141)	$ (184,772)	$ (4,898,337)	$ (1,105,669)
Other comprehensive loss				
Foreign currency translation differences	(30,280)	-	(176,603)	-
Net loss and comprehensive loss for the period	$ (1,729,421)	$ (184,772)	$ (5,074,940)	$ (1,105,669)
Basic and diluted net loss per share	$ (1.71)	$ (0.01)	$ (0.23)	$ (0.12)
Weighted average number of common shares outstanding	993,770	17,300,069	21,665,047	8,866,421

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

Novamind Inc.
(formerly Hinterland Metals Inc.)
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital							
	Number	Amount	Shares to be issued	Warrant reserves	Contributed surplus	Other comprehensive loss	Deficit	Total
Balance, May 22, 2019 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued in private placements	19,018,750	2,987,500	-	-	-	-	-	2,987,500
Share issuance costs	-	(114,463)	-	-	-	-	-	(114,463)
Issuance of broker warrants	-	(59,201)	-	59,201	-	-	-	(59,201)
Net loss for the period	-	-	-	-	-	-	(1,105,669)	(1,105,669)
Balance, March 31, 2020	**19,018,750**	**$ 2,813,836**	**$ -**	**$ 59,201**	**$ -**	**$ -**	**$ (1,105,669)**	**$ 1,708,167**
Balance, June 30, 2020	**23,426,249**	**$ 4,334,505**	**$ 727,500**	**$ 123,601**	**$ -**	**$ -**	**$ (1,329,494)**	**$ 3,856,112**
Shares issued in private placements	12,640,000	11,056,000	(727,500)	-	-	-	-	10,328,500
Share issuance costs	-	(1,115,384)	-	486,643	-	-	-	(628,741)
Shares issued and to be issued for the Cedar Acquisition	3,843,750	1,537,500	230,625	-	-	-	-	1,768,125
Conversion of Hinterland shares and consideration for RTO	1,372,017	1,372,017	-	338	-	-	-	1,372,355
Shares and warrants issued for consulting services	211,770	216,950	-	117,882	-	-	-	334,832
Shares issued upon exercise of warrants	34,394	60,490	-	(26,096)	-	-	-	34,394
Warrants issued for consulting services	-	-	-	555,065	-	-	-	555,065
Stock-based compensation	-	-	-	-	1,163,608	-	-	1,163,608
Net loss for the period	-	-	-	-	-	(176,603)	(4,898,337)	(5,074,940)
Balance, March 31, 2021	**41,528,180**	**$ 17,462,078**	**$ 230,625**	**$ 1,257,433**	**$ 1,163,608**	**$ (176,603)**	**$ (6,227,831)**	**$ 13,709,310**

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

Novamind Inc.
(formerly Hinterland Metals Inc.)
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended March 31, 2021	Period from May 22, 2019 (Date of incorporation) to March 31, 2020
Operating activities		
Net loss for the period	$ (4,898,337)	$ (1,105,669)
Items not affecting cash used in operating activities:		
Unrealized gain on marketable securities and convertible debenture receivable	(1,264,617)	-
Loss on foreign exchange	92,748	-
Share based compensation	-	472,500
Depreciation and amortization	641,367	-
Interest expense	267,157	-
Settlement of government loan payable	(226,713)	-
Income tax recovery	(67,000)	-
RTO transaction cost	1,379,144	-
Stock-based compensation	1,163,608	-
Shares and warrants issued as consulting fees	889,897	-
Loss on conversion of convertible debenture receivable	24,569	-
Gain on disposition of marketable securities	(373,900)	-
	(2,372,077)	(633,169)
Changes in non-cash working capital:		
Accounts receivable	(673,702)	63,195
Interest receivable	(67,435)	-
Prepaid expenses	(31,862)	(3,164)
Accounts payable and accrued liabilities	(283,518)	102,891
Cash flows used in operating activities	(3,428,594)	(470,247)
Investing activities		
Purchase of property and equipment	(326,308)	-
Investment in convertible debenture	(232,320)	(1,318,190)
Cash obtained upon Cedar Acquisition	429,436	-
Cash paid for Cedar Acquisition	(750,000)	-
Cash obtained upon RTO	175,178	-
Purchase of marketable securities	(961,195)	-
Proceeds from sale of marketable securities	472,209	-
Cash flows used in investing activities	(1,193,000)	(1,318,190)
Financing activities		
Shares issued in private placements	9,752,259	2,873,037
Shares issued upon exercise of warrants	34,394	-
Proceeds from loan payable	-	18
Payment on lease liabilities	(334,103)	-
Cash flows provided by financing activities	9,452,550	2,873,055
Change in cash	4,830,956	1,084,618
Impact of foreign exchange on cash	(59,026)	-
Cash, beginning of period	2,845,018	-
Cash, ending of period	$ 7,616,948	$ 1,084,618

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

1. Nature of Operations and Going Concern

Novamind Inc. (formerly Hinterland Metals Inc.) (the "Company"), incorporated under the Canada Business Corporations Act, is a mental health company enabling safe access to psychedelic medicine through a network of clinics, retreats, and clinical research sites. The Company's common shares are listed under the symbol "NM" on the Canadian Securities Exchange. The head office and registered office of the Company is located at 10 Wanless Ave Suite 201, Toronto, ON, Canada, M4N 1V6.

On November 12, 2020, the Company entered into a business combination agreement with Novamind Ventures Inc. ("Novamind"), a private Ontario company incorporated on May 22, 2019, whereby the Company acquired all issued and outstanding shares of Novamind on December 22, 2020 by issuing one Company share for every four Novamind shares (the "RTO") (Note 5). The RTO was structured as a three-cornered amalgamation pursuant to which Novamind amalgamated with a wholly owned subsidiary of the Company, 2784326 Ontario Inc. to form an amalgamated entity. Novamind is deemed to be the acquirer for the accounting purposes. The consolidated financial statements are considered a continuation of Novamind. On the closing date, Novamind exchanged the outstanding and issued shares to the shares of the Company on a 4 to 1 ratio. All reference to shares, per share amount, and warrants in these financial statements have been retroactively restated to reflect the conversion ratio.

On July 22, 2020, the Company acquired 100% of the issued and outstanding shares of Cedar Psychiatry Inc. and Cedar Clinical Research Inc. (CCR) (collectively "Cedar Group") pursuant to a stock purchase agreement dated July 22, 2020 and amended on November 19, 2020, among the Company, Psychosomatics, LLC and Probatio, LLC. (the "Cedar Acquisition") (Note 4).

The consolidated financial statements were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company has incurred losses since inception of its business and as of March 31, 2021, the Company's accumulated deficit was $6,227,831. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

2. Basis of Presentation

Statement of Compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 – Interim Financial Reporting.

These consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Novamind's most recent audited financial statements for the period from May 22, 2019 (date of incorporation) to June 30, 2020, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statements for the period from May 22, 2019 (date of incorporation) to June 30, 2020.

The preparation of these consolidated financial statements in conformity with IFRS also requires management to make estimates and judgements that may have a significant impact on these consolidated financial statements. Estimates are continuously evaluated and are based on management’s experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The critical accounting judgements and estimates were presented in the Company’s most recent audited consolidated financial statements for the period from May 22, 2019 (date of incorporation) to June 30, 2020 and are the same as those applied for the three and nine months ended March 31, 2021 except for the those listed in note 3 Significant Accounting Policies.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 31, 2021.

2. Basis of Presentation (continued)

Basis of preparation and functional currency

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company and Novamind is the Canadian dollar. .The functional currency of Cedar Psychiatry Inc. and Cedar Clinical Research Inc. is the US dollar.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain variable benefits from its power over the entity's activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of disposal or loss of control.

Details of the Company's subsidiaries are as follows:

Entity	Country of Incorporation	Ownership Percentage
Novamind Venturers Inc.	Canada	100%
Cedar Psychiatry Inc.	USA	100%
Cedar Clinical Research Inc.	USA	100%

3. Significant Accounting Policies

Revenue recognition

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

a. Identifying the contract with a customer;
b. Identifying the performance obligations;
c. Determining the transaction price;
d. Allocating the transaction price to the performance obligations; and
e. Recognizing revenue when/as performance obligation(s) are satisfied.

3. Significant Accounting Policies (continued)

Revenue recognition (continued)

Service fee income

The Company earns service income through provision of outpatient mental health services including psychotherapy, psychiatric medication management, transcranial magnetic stimulation, and ketamine-assisted psychotherapy. Service income is measured at the amount of transaction price that is allocated to a performance obligation. The transaction price that is allocated to each performance obligation is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised medical services to a patient. Service revenue is recognized upon completion of medical services, which are determined when services have been provided to a patient and no significant obligations from the Company remains.

Clinical trial income

The Company earns clinical trial income through the hosting of clinical trials for emerging treatment options in neuropsychiatry. These trials are hosted on behalf of third-party sponsors. The transaction price is allocated to each clinical trial and research task on an estimated standalone price basis, for the Company recognizes revenue as or when such a task under the contract is satisfied. The progress of each clinical trial is highly variable and therefore, the timing of clinical trial income is unpredictable.

Cost of services

Cost of services includes the expenses incurred to provide services to patients and customer, which are the related labor costs and depreciation expense on the TMS systems.

Equipment and right-of-use assets

Equipment and right-of-use assets are stated at cost less accumulated depreciation. The cost of repairs and maintenance is expensed as incurred. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from property and equipment and any gain or loss is reflected as a gain or loss from operations.

The estimated useful lives are:

Furniture and equipment	1-5 years
Medical equipment	1-5 years
Leasehold improvements	Lease terms
Right-of-use assets	Lease terms

3. Significant Accounting Policies (continued)

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

3. Significant Accounting Policies (continued)

Leases (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for property and equipment, from the commencement date to the earlier of the end of its useful life or the end of the lease term. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are presented as property and equipment and the lease liabilities are presented as loans on the combined statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for the short-term leases that have a lease term of 12 months or less and recognizes the lease payments as an expense to profit or loss on a straight-line basis over the term of the lease.

Business combination

Acquisitions of business are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquire. Acquisition-related costs incurred for the business combination are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

3. Significant Accounting Policies (continued)

Business combination (continued)

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration of the acquisition over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognized in profit or loss immediately. Goodwill may also arise as a result of the requirement under IFRS to record a deferred tax liability on the excess of the fair value of the acquired assets over their correspondence tax bases, with the corresponding offset recorded as goodwill.

In the case of the amount of the net of the amounts of the identifiable assets acquired and the liabilities assumed exceeding the fair value of the consideration, the Company recognizes the resulting amount in profit or loss on the acquisition date.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

3. Significant Accounting Policies (continued)

Intangible assets (continued)

Customer relationships, brand and non-compete clause

The Company acquired patient relationships and brand name as part of the acquisition of the Cedar Group.

Patient relationships	5 years
Brand name	5 years

Goodwill

Goodwill is only recognized as part of business combinations and is made up of intangible assets with indefinite useful lives that cannot be identified separately. Goodwill is measured at historical cost less any impairment losses. Goodwill is not amortized, but is systematically tested for impairment annually in the fourth quarter or earlier if there is an indication of impairment. An increase in interest rates and a drop-in sales or in operating profit are some of the indicators of impairment that management monitors.

Significant accounting judgments and estimates

Application of accounting policies requires management to use estimates and judgments that can have significant effect on the revenues, expenses, comprehensive income or loss, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made.

Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

The following areas require significant estimates or judgment by management.

Segmented Information

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker (the "CODM") with respect to segmented information disclosures. The CODM represents the appropriate level of management to analyze and determine the distinct operating segments of the Company. The CODM examines the Company's performance both from a service and geographic perspective and has identified two reportable segments of its business, namely the US and the Canadian operations.

3. Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

Leases

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

Business combination

When the Company completes an acquisition, management is required to make judgments to determine whether the acquisition meets the definition of a business under IFRS 3 – Business Combinations.

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may determine the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows.

These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair value allocation of certain purchase prices and accounting adjustments.

In addition, the Company may provide contingent consideration as part of the purchase price for acquisitions of businesses and/or assets. Management is required to make judgments and estimates of the future performance of the acquired business and/or assets in order to determine the amount of contingent consideration to be recognized at acquisition and at each subsequent reporting date. During the period ended September 30, 2020, the Company completed the acquisition of Cedar Group (note 4).

(Expressed in Canadian Dollars)

4. Acquisition of Cedar Group

On July 23, 2020, the Company acquired 100% of the issued and outstanding shares of Cedar Group pursuant to a stock purchase agreement dated July 22, 2020. The consideration in connection with the Cedar Acquisition consisted of (i) the issuance of 5,125,000 of the Company Shares at a deemed price of $0.40 per share, to be issued on the following schedule: 2,562,500 on closing of the Cedar Acquisition; 5,125,000 payable six months after the closing of the Cedar Acquisition; and 5,125,000 payable 12 months after the closing of the Cedar Acquisition, and (ii) cash payments totaling $1,000,000 to be paid according to the following schedule: $500,000 on closing of the Cedar Acquisition; $250,000 payable six months after closing of the Cedar Acquisition; and $250,000 payable 12 months after closing of the Cedar Acquisition. During the nine months ended March 31, 2021, the Company paid $750,000 and issued 3,843,750 common shares for Cedar Acquisition. As at March 31, 2021, the Company recorded $241,306 consideration payable which was included in accrued liabilities and recorded $230,625 shares to be issued.

The Company determined that the acquisition was a business combination under IFRS 3 - Business Combinations and was accounted for by applying the acquisition method, whereby the assets acquired and liabilities assumed were recorded at their fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill.

The allocation purchase price calculation is as follows:

Consideration - cash	$	958,824
Consideration - shares		1,768,125
Total consideration paid	$	2,726,949
Identifiable assets acquired		
Cash	$	429,436
Accounts receivable		368,561
Prepaid expenses		8,035
Property and equipment		63,307
Right-of-use assets		1,470,892
Accounts payable		(92,737)
Lease liabilities		(1,470,892)
Deferred tax liability		(244,000)
Loan payable to related party		(53,563)
Government loan payable		(193,414)
Patient relationship		494,165
Brand name		393,993
Total identifiable assets acquired		1,173,783
Total goodwill		1,553,166
	$	2,726,949

(Expressed in Canadian Dollars)

4. Acquisition of Cedar Group (continued)

The value of the share consideration was estimated using a combination of the Finnerty put option model and Chaffe model to estimate the discount related to the shares to be issued six and twelve months after the acquisition. The key assumptions used are as follows:

	Shares issued 6 months after acquisition	Shares issued 12 months after acquisition
Volatility	131%	111%
Risk-free rate	0.14%	0.12%
Term	0.5 years	1 year

The cash payments due six and twelve months after the closing of the acquisition are discounted using an effective interest rate of 12%.

The goodwill recognized on the acquisition is primarily attributed to the assembled workforce and the synergies which will contribute to operational efficiencies within the Company.

Operating results have been included in the consolidated financial statements from the date of the acquisition. Cedar Group’s revenue and net income for the period from the date of acquisition to March 31, 2021 included in the consolidated statement of loss and comprehensive loss are $4,008,241 and $520,473, respectively. Had the above noted business combination occurred on July 1, 2020, Cedar Group's revenue and net income included in the unaudited condensed interim consolidated statement of loss and comprehensive loss would have been $4,324,344 and $447,734, respectively.

5. Reverse takeover

On December 22, 2020 (“RTO Date”), the Company completed a RTO with Novamind, whereby the Company acquired all the issued and outstanding common shares of Novamind in exchange for 38,628,749 shares of the Company. The Company did not constitute a business as defined under IFRS 3; therefore, the RTO is accounted under IFRS 2, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense to net loss. The accounting for this transaction resulted in the following:

1. The consolidated financial statements of the combined entity are issued under the legal parent, Novamind Inc., but are considered a continuation of the financial statements of the legal subsidiary, Novamind Ventures Inc.
2. As Novamind Ventures Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

The shares allocated to the former shareholders of Novamind on closing the RTO, were considered within the scope of IFRS 2, whereby the value in excess of the net identifiable assets or obligations of the Company acquired on closing was expensed to profit or loss as a listing expense. The fair value of the 1,372,017 common shares for all of Hinterland was determined to be $1,372,017.

(Expressed in Canadian Dollars)

5. Reverse takeover (continued)

The fair value of the consideration given and charged to listing expense was comprised of:

Consideration	
Common shares	$ 1,372,017
Fair value of warrants	338
Professional fees incurred for RTO	184,528
Total consideration	**$ 1,556,883**
Identifiable assets acquired	
Cash	$ 175,178
Accounts receivable	5,382
Accounts payable and accrued liabilities	(2,821)
Total identifiable assets acquired	177,739
Unidentifiable assets acquired	
Transaction cost	1,379,144
Total net identifiable assets and transaction cost	**$ 1,556,883**

The fair value of 1,372,017 issued common shares of the Company was estimated using $1.00 per share.

The Company is deemed to have assumed 31,000 share purchase warrants exercisable at a price of $25 per share expiring on August 17, 2021 and 3,680 share purchase warrants exercisable at a price of $25 per share expiring on September 7, 2021. The fair value of share-purchase warrants was $338 estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.23%
Estimate life	0.88 to 0.94 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

6. Marketable Securities

(i) On January 15, 2020, the Company acquired an aggregate of 166,666 common shares of Field Trip Psychedelics Inc. ("Field Trip"), a private company, at a price of US$0.90 per share for gross payment of $196,615. As at March 31, 2021, the marketable securities of Field Trip were valued at $295,025 (2019 - $147,461). The shares are subject to lock-up restrictions whereby 25% of the shares will release on November 30, 2020 (released), 25% on January 29, 2021 (released), 25% on May 29, 2021 and 25% on July 28, 2021. During the three and nine months ended March 31, 2021, the Company sold 83,334 common shares of Field Trip for proceeds of $472,209, resulting in a gain on disposition of marketable securities of $373,900.

(ii) During the three and nine months ended March 31, 2021, the ATAI Convertible Note (as defined in note 10) was converted into 2,741 common shares of ATAI. Upon conversion from convertible debenture receivable into marketable securities, the Company recorded a loss on conversion of $24,569. As at March 31, 2021, the common shares of ATAI was carried at $627,043 (2019 - $nil) based on €155 per share in ATAI's most recent financing.

(iii) On February 11, 2021, the Company announced that it made a strategic investment in Bionomics Limited (“Bionomics”) (ASX:BNO, OTCQB:BNOEF, Germany:AU000000BNO5), a biopharmaceutical company dedicated to developing better treatments for central nervous system disorders. During the three and nine months ended March 31, 2021, the Company acquired 6,657,933 Bionomics shares for $961,195. As at March 31, 2021, the marketable securities of Bionomics were valued at $1,433,913 (2019 - $nil). During the three and nine months ended March 31, 2021, the Company recorded unrealized gain on marketable securities of $521,225.

During the nine months ended March 31, 2021, the Company recorded unrealized gain of $89,607 (2019 - $nil) pertaining to change in the fair value of marketable securities.

(Expressed in Canadian Dollars)

7. Property and Equipment

Cost	Furniture and Equipment	Medical Equipment	Leasehold Improvement	Total
Balance, June 30, 2020	$ -	$ -	$ -	$ -
Acquired on acquisition	62,628	679	-	63,307
Addition	23,576	-	302,732	326,308
Foreign exchange	(4,512)	(42)	(8,880)	(13,434)
Balance, March 31, 2021	$ 81,692	$ 637	$ 293,852	$ 376,181
Accumulated Amortization				
Balance, June 30, 2020	$ -	$ -	$ -	$ -
Amortization	18,761	260	35,000	54,021
Foreign exchange	(550)	(8)	(1,026)	(1,584)
Balance, March 31, 2021	$ 18,211	$ 252	$ 33,974	$ 52,437
Carrying Value				
At June 30, 2020	$ -	$ -	$ -	$ -
At March 31, 2021	$ 63,481	$ 385	$ 259,878	$ 323,744

8. Right-of-use Assets

	Offices	TMS System (i)	Total
Cost			
Balance, June 30, 2020	$ -	$ -	$ -
Additions upon acquisition	1,181,687	289,205	1,470,892
Additions	2,443,460	333,476	2,776,936
Foreign exchange	(143,763)	(27,424)	(171,187)
Balance, March 31, 2021	$ 3,481,384	$ 595,257	$ 4,076,641
Depreciation			
Balance, June 30, 2020	$ -	$ -	$ -
Depreciation	267,435	115,276	382,711
Foreign exchange	(7,844)	(3,381)	(11,225)
March 31, 2021	$ 259,591	$ 111,895	$ 371,486
Net book value			
Balance, June 30, 2020	$ -	$ -	$ -
March 31, 2021	$ 3,221,793	$ 483,362	$ 3,705,155

(i) Transcranial magnetic stimulation is defined as “TMS”,

(Expressed in Canadian Dollars)

9. Goodwill and Intangible Assets

	Goodwill	Patient relationships	Brand name	Total intangible assets
Cost				
Balance, June 30, 2020	**$ -**	**$ -**	**$ -**	**$ -**
Additions upon acquisition	1,553,166	494,165	393,993	888,158
Foreign exchange differences	(75,995)	(30,147)	(24,036)	(54,183)
Balance, March 31, 2021	**$ 1,477,171**	**$ 464,018**	**$ 369,957**	**$ 833,975**
Amortization				
Balance, June 30, 2020	**$ -**	**$ -**	**$ -**	**$ -**
Amortization	-	113,858	90,777	204,635
Foreign exchange differences	-	(3,764)	(3,001)	(6,765)
Balance, March 31, 20201	**$ -**	**$ 110,094**	**$ 87,776**	**$ 197,870**
Net book value				
Balance, June 30, 2020	**$ -**	**$ -**	**$ -**	**$ -**
Balance, March 31, 2021	**$ 1,477,171**	**$ 353,924**	**$ 282,181**	**$ 636,105**

10. Convertible Debenture Receivable

	Investment in Synthesis Convertible Loan	Investment in ATAI Convertible Note	Total
Balance, May 22, 2019	**$ -**	**$ -**	**$ -**
Additions	1,121,575	-	1,121,575
Fair value gain (loss)	(8,285)	-	(8,285)
Foreign exchange differences	26,300	-	26,300
Balance, June 30, 2020	**$ 1,139,590**	**$ -**	**$ 1,139,590**
Additions	-	232,320	232,320
Conversion	-	(288,675)	(288,675)
Unrealized fair value gain (loss)	135,107	53,857	188,964
Foreign currency gain (loss)	(46,746)	2,498	(44,248)
Balance, March 31, 2021	**$ 1,227,951**	**$ -**	**$ 1,227,951**

On November 18, 2019, the Company entered into a convertible loan agreement (the "Synthesis Investment Agreement") with Synthesis Institute B.V. ("Synthesis"). Pursuant to the Synthesis Investment Agreement, the Company advanced a €750,000 ($1,121,575) aggregate principal amount of convertible loan to Synthesis (the "Convertible Loan"). The Convertible Loan (i) has a maturity date of May 19, 2021; (ii) accumulates interest at an annual interest rate of 10%, calculated monthly and payable at maturity; and (iii), upon Synthesis completing an equity financing of not less than €5,000,000 to arm's length parties (the "Synthesis Financing"), the then outstanding Convertible Loan principal and interest shall convert into shares of Synthesis ("Synthesis Shares") at the same terms as the Synthesis Financing at a 15% discount. On October 5, 2020, the Company entered into an amendment whereby the maturity date was extended to October 15, 2021 and the conversion terms were amended to - upon Synthesis completing the Synthesis Financing, the then outstanding Convertible Loan principal and interest shall convert into Synthesis Shares, whereby – as to valuation - a cap of €9,600,000 and a discount of 15% shall apply to the price of the Synthesis Shares offered pursuant to the Synthesis Financing.

10. Convertible Debenture Receivable (continued)

During the three and nine months ended March 31, 2021, the Company accrued interest income of $23,412 and $82,572, respectively and as at March 31, 2021, had an interest receivable of $110,376.

On July 21, 2020, the Company entered into a convertible note purchase agreement (the “ATAI Investment Agreement”) with ATAI Life Sciences AG (“ATAI”). Pursuant to the ATAI Investment Agreement. The Company purchased a €150,000 principal amount convertible note (the “ATAI Convertible Note”). The ATAI Convertible Note has a maturity date of January 31, 2022 and accumulates interest at an annual interest rate of 5%, payable at maturity. The ATAI Convertible Note mandatorily converts (a “ATAI Mandatory Conversion Event”) (i) upon the sale of the issued and outstanding share capital of ATAI (the “ATAI Sale”), (ii) upon ATAI completing an equity financing of not less than €30,000,000 (the “ATAI Financing”), (iii) upon the completion of capital raising by ATAI, other than the ATAI financing, which is approved by 75% of the then outstanding ATAI Convertible Note holders (a “Non-Qualifying ATAI Financing”), or (iv) upon an event of default by ATAI pursuant to the terms of the ATAI Investment Agreement. Upon the occurrence of a Mandatory Conversion Event, the then outstanding ATAI Convertible Note principal and interest shall convert into ordinary bearer shares (no-par value shares) of ATAI (“ATAI Shares”), at a conversion price of, (i) in the event of an ATAI Sale, the price of the ATAI Shares being offered on such ATAI Sale, (ii) in the event of an ATAI Financing or Non-Qualifying ATAI Financing, the price of the ATAI Shares being offered pursuant to such ATAI Financing or Non-Qualifying ATAI Financing, or (iii) in the event of an event of default, €38 per ATAI Share.

During the three and nine months ended March 31, 2021, the Company converted the ATAI Convertible Note into 2,741 common shares of ATAI with the completion of a capital raising by ATAI at a raise price of US$65.2 per share. The Company recorded a loss on conversion of $24,569 in the condensed interim consolidated statement of loss and comprehensive loss during the three and nine months ended March 31, 2021. As at March 31, 2021, the fair value of ATAI shares was carried at $627,043 based on €155 per share in ATAI's most recent financing (note 6(ii)).

During the three and nine months ended March 31, 2021, the Company accrued interest income of $nil and $5,217, respectively and as at March 31, 2021, had an interest receivable of $nil.

(Expressed in Canadian Dollars)

11. Lease Liabilities

The Company leases certain assets under lease agreements. The lease liabilities consist of leases of various clinical facilities with a term ranging from one to ten years and the transcranial magnetic stimulation systems ("TMS systems") with a four-year term. The leases are calculated using an incremental borrowing rate of 9% per annum.

	Offices	TMS Systems	Total
Balance, June 30, 2020	$ -	$ -	$ -
Additions upon acquisition	1,181,687	289,205	1,470,892
Additions	2,443,460	329,589	2,773,049
Accretion	183,144	35,024	218,168
Lease payment	(205,036)	(129,067)	(334,103)
Foreign exchange	(143,120)	(24,552)	(167,672)
Balance, March 31, 2021	$ 3,460,135	$ 500,199	$ 3,960,334
Allocated as:			
Current	233,707	155,109	388,816
Non-current	3,226,428	345,090	3,571,518
March 31, 2021	$ 3,460,135	$ 500,199	$ 3,960,334

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

Maturity analysis	March 31, 2021
Less than one year	$ 729,452
One to three years	1,662,170
Four to five years	1,287,720
Greater than five years	1,894,937
Total undiscounted lease liabilities	5,574,279
Amount representing implicit interest	(1,613,945)
Lease liabilities	$ 3,960,334

(Expressed in Canadian Dollars)

12. Government Loans Payable

		March 31, 2021
Balance, June 30, 2020	$	-
Additions upon acquisition		193,414
Interest		48,988
Loan forgiveness		(226,713)
Foreign exchange		(6,586)
Balance, March 31, 2021	$	9,103
Allocated as:		
Current		2,358
Non-current		6,745
March 31, 2021	$	9,103

The government loans payable represent are made up of a US$175,000 loan (the "PPP Loan") of Cedar Group under the United States Small Business Administration ("SBA") Paycheck Protection Program pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act and a US$10,000 small business bridge loan (the "SBB Loan") from the Governor's Office of Economic Development of State of Utah.

The PPP Loan is guaranteed by the SBA, matures on April 15, 2022 and bears interest at 1% per annum. The loan was fully settled during the three and nine months ended March 31, 2021 against salaries and wages.

All or a portion of the PPP Loan may be forgiven if the Cedar Group maintains its employment and compensation within certain parameters during the eight-week to twenty-four-week period following the loan origination date and the proceeds of the loan are spent on payroll costs. As of the date of authorization for issue, the Company is in the process of assessing its eligibility for the loan forgiveness.

The SBB Loan is unsecured, non-interest bearing and payable with a monthly instalment of US$209 commencing on May 1, 2021 with the final payment due on April 1, 2025. The loan was recognized at fair value on the acquisition date of the Cedar Group using the effective interest rate of 15%, $9,103.

13. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares.

(b) Issued and outstanding - Common Shares

(i) On September 30, 2019, the Company issued 7,875,000 common shares to related parties for consideration of $630,000 (the "September Financing"). Out of the gross consideration the Company received cash proceeds of $157,500 with the remainder of $472,500 being recorded as share-based payments. The fair value of the shares was determined using the most recent private placement closed after the September Financing.

(ii) On October 18, 2019, the Company issued 5,625,000 common shares for proceeds of $450,000.

(iii) On November 15, 2019, the Company issued 1,500,000 common shares for proceeds of $300,000.

(iv) On January 8, 2020, the Company issued 2,237,500 common shares for proceeds of $895,000. The Company incurred share issuance costs of $64,588 and issued 156,625 broker warrants with each broker warrant exercisable into one common share of the Company at $0.10 for two years from the issuance. The fair value of these broker warrants at the date of issuance was estimated using the Black-Scholes option pricing model with the following assumptions: one year expected life; 100% expected volatility; risk-free interest rate of 1.66%; and an expected dividend yield of 0%. The fair value assigned to these broker warrants was $33,107.

(v) On March 20, 2020, the Company issued 1,781,250 common shares for proceeds of $712,500. The Company incurred share issuance costs of $49,875 and issued 124,688 broker warrants with each broker warrant exercisable into one common share of the Company at $0.40 for two years from the issuance. The fair value of these broker warrants at the date of issuance was estimated using the Black-Scholes option pricing model with the following assumptions: two year expected life; 100% expected volatility; risk-free interest rate of 0.56%; and an expected dividend yield of 0%. The fair value assigned to these broker warrants was $26,094.

(vi) On June 19, 2020, the Company issued 1,681,250 common shares for proceeds of $672,500, $12,500 of which was received subsequent to the period ended June 30, 2020. The Company incurred share issuance costs of $47,075 and issued 117,688 broker warrants with each broker warrant exercisable into one common share of the Company at $0.40 for two years from the issuance. The fair value of these broker warrants at the date of issuance was estimated using the Black-Scholes option pricing model with the following assumptions: two year expected life; 100% expected volatility; risk-free interest rate of 0.26%; and an expected dividend yield of 0%. The fair value assigned to these broker warrants was $24,562.

(Expressed in Canadian Dollars)

13. Share Capital (continued)

(b) Issued and outstanding - Common Shares (continued)

(vii) On June 29, 2020, the Company issued 2,726,250 common shares for proceeds of $1,090,500, $40,000 of which was received subsequent to the period ended June 30, 2020. The Company incurred share issuance costs of $132,794 and issued 190,838 broker warrants with each broker warrant exercisable into one common share of the Company at $0.40 for two years from the issuance. The fair value of these broker warrants at the date of issuance was estimated using the Black-Scholes option pricing model with the following assumptions: two year expected life; 100% expected volatility; risk-free interest rate of 0.29%; and an expected dividend yield of 0%. The fair value assigned to these broker warrants was $39,838.

(viii) On July 14, 2020, the Company issued 2,640,000 common shares for proceeds of $1,056,000, $727,500 of which was received during the period ended June 30, 2020 as shares to be issued. The Company incurred share issuance costs of $37,969 and issued 184,800 broker warrants with each broker warrant exercisable into one common share of the Company at $0.40 for two years from the issuance. The fair value of these broker warrants at the date of issuance was estimated using the Black-Scholes option pricing model with the following assumptions: two year expected life; 100% expected volatility; risk-free interest rate of 0.29%; and an expected dividend yield of 0%. The fair value assigned to these broker warrants was $38,578.

(ix) On November 16, 2020, Novamind completed a private placement offering of 2,500,000 subscription receipts for proceeds of $10,000,000 (the “Financing”).

In connection with the Financing, Novamind paid cash finders’ fees of $590,772 and issued 590,539 broker warrants exercisable at $1.00 for a period of three years. The fair value of the broker warrants was estimated at $448,065 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.30%
Estimate life	3 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(x) On July 23, 2020, Novamind issued 2,562,500 common shares and on November 19, 2020, Novamind issued 500,000 common shares relating to the acquisition of Cedar Psychiatry Inc. and Cedar Clinical Research Inc. (the "Cedar Acquisition") and $200,000 of shares to be issued was reallocated to share capital.

(Expressed in Canadian Dollars)

13. Share Capital (continued)

(b) Issued and outstanding - Common Shares (continued)

(xi) On December 23, 2020, the Company issued 200,000 common shares and 200,000 share purchase warrants pursuant to a consulting agreement. The fair value of the common shares was estimated at $200,000 based on the price of the Novamind Financing. The share purchase warrants are exercisable at an exercise price of $1.50 per Common Share for 24 months from the date of issuance. The fair value of the share purchase warrants was estimated at $117,882 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.22%
Estimate life	2 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

The fair value of the common shares and warrants issued was recorded in consulting fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the three and nine months ended March 31, 2021.

On January 26, 2021, the Company issued 11,770 common shares pursuant to a consulting agreement with Agora Internet Relations Corp. The fair value of the common shares was estimated at $16,950 based on the market price of Novamind shares of $1.44 per share on the date of issuance.

On January 26, 2021, the Company issued 100,000 share purchase warrants with exercisable at a price of $1.65 per share for 12 months from the date of issuance as per service agreement with Venture North Capital Inc. and issued 400,000 share purchase warrants with exercise price of $1.65 per share for 12 months from the date of issuance as per service agreement with Octagon Media Corp. The fair value of the share purchase warrants was estimated at $413,015 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.12%
Estimate life	1 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

14. Warrants

The following table reflects the continuity of warrants for the period ended March 31, 2021:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, May 22, 2019 (date of incorporation)	-	$ -
Issued (Note 13)	589,838	1.30
Balance, June 30, 2020	589,838	$ 1.30
Issued (Note 13)	1,794,042	1.64
Exercised	(34,394)	1.00
Balance, March 31, 2021	2,349,486	$ 1.34

The following table reflects the warrants issued and outstanding as of March 31, 2021:

Expiry Date	Exercise Price ($)	Weighted Average Number of Contractual Life (years)	Broker Warrants Outstanding
January 8, 2022	0.40	0.78	156,624
March 20, 2022	0.40	0.97	124,688
June 19, 2022	0.40	1.22	117,688
June 29, 2022	0.40	1.25	190,838
July 14, 2022	0.40	1.29	184,800
September 7, 2021	25.00	0.44	34,680
December 23, 2021	1.00	0.73	284,023
December 23, 2022	1.50	1.73	200,000
November 16, 2023	1.00	2.63	556,145
January 26, 2022	1.65	0.82	500,000
	1.34	1.41	2,349,486

15. Stock options

The Company issued stock options to acquire common shares as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2020	**$ -**	**$ -**
Granted	3,946,052	0.53
Balance, March 31, 2021	**$ 3,946,052**	**$ 0.53**

(Expressed in Canadian Dollars)

15. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

		Weighted Average		
Number of				
Expiry Date	**Exercise Price ($)**	**Remaining Contractual Life (years)**	**Number of Options Outstanding**	**Options Vested (Exercisable)**
April 30, 2025	0.40	4.08	125,000	83,333
December 11, 2025	0.40	4.70	3,021,052	-
December 22, 2025	0.40	4.73	300,000	-
January 26, 2022	1.65	0.82	100,000	100,000
January 19, 2026	1.40	4.81	400,000	-
	0.53	4.60	3,946,052	183,333

(i) On April 30, 2020, the Company granted 125,000 stock options to a consultant. The options vest as to one-third on the date of grant, one-third on the one-year anniversary of the grant date and one-third on the two year anniversary of the grant date. During the three and six months ended December 31, 2020, $32,898 in stock-based compensation was recorded in relation to the vesting of these options. The fair value of the options was estimated at $36,947 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.38%
Estimate life	5 years
Expected volatility	100%
Expected dividend yield	0%
Forfeiture rate	0%

(ii) On December 11, 2020, the Company granted 3,021,052 options exercisable at $0.40 for a period of five years. The options will vest as follows: 25% vest 6 months from the grant date, 25% vest 12 months from the grant date, 25% vest 18 months from the grant date and 25% 24 months from the grant date. During the three and six months ended December 31, 2020, $165,546 in stock-based compensation was recorded in relation to the vesting of these options. The fair value of the options was estimated at $2,896,120 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.44%
Estimate life	5 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

15. Stock options (continued)

(iii) On December 22, 2020, the Company granted 300,000 options exercisable at $1.00 for a period of five years. The options vest one year after the grant date and $nil has been recorded relating to the vesting of the options. $6,438 in stock-based compensation was recorded in relation to the vesting of these options. The fair value of the options was estimated at $261,080 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.42%
Estimate life	5 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(iv) On January 19, 2021, the Company granted 400,000 options exercisable at $1.65 for a period of five years. The options will vest as follows: 25% vest 6 months from the grant date, 25% vest 12 months from the grant date, 25% vest 18 months from the grant date and 25% 24 months from the grant date. $99,932 in stock-based compensation was recorded in relation to the vesting of these options during the three and nine months ended March 31, 2021. The fair value of the options was estimated at $491,014 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.41%
Estimate life	5 years
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(iv) On January 26, 2021, the Company granted 100,000 options exercisable at $1.65 for a period of one year. The options vested on the grant date. $82,603 in stock-based compensation was recorded in relation to the vesting of these options during the three and nine months ended March 31, 2021. The fair value of the options was estimated at $82,603 using the Black Scholes valuation model with the following assumptions:

Risk-free interest rate	0.12%
Estimate life	1 year
Expected volatility	135%
Expected dividend yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

16. Fair Value and Financial Risk Factors

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash and investment as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

The carrying value of the Company's financial liabilities as at September 30, 2020 approximate their fair value due to their short terms to maturity.

The following table illustrates the classification of the Company's financial instruments recorded at fair value within the fair value hierarchy as at December 31, 2020:

March 31, 2021	Level 1	Level 2	Level 3	Total
Cash	$ 7,616,948	$ -	$ -	$ 7,616,948
Marketable securities	2,060,963	-	295,025	2,355,988
Convertible debenture receivable	-	-	1,227,951	1,227,951
Interest receivable	-	-	110,376	110,376

Level 3 hierarchy:

The following table presents the changes in fair value measurement of financial instrument classified as Level 3. The financial instrument is measured at fair value utilizing non-observable market inputs.

	Opening balance June 30, 2020	Purchases and interest income	Converted from convertible debenture	Unrealized gain on investment	Foreign exchange	Ending balance at March 31, 2021
Marketable securities	$ 196,615	$ -	$ -	$ 98,410	$ -	$ 295,025
Investment in convertible debentures	$ 1,139,590	$ 232,320	$(288,675)	$ 188,964	$ (44,248)	$ 1,227,951
Interest receivable	$ 48,169	$ 87,789	$ (5,228)	$ -	$ (20,354)	$ 110,376

(Expressed in Canadian Dollars)

16. Fair Value and Financial Risk Factors (continued)

Fair Values (continued)

Level 3 hierarchy (continued):

Within Level 3, the Company includes marketable securities subject to a holding period and convertible debenture receivable and interest receivable. The key assumptions of marketable securities include the volatility of the share price of comparable listed companies. The critical assumptions of the convertible debenture and interest receivable include the market interest rates for similar loans and convertible debentures. The market interest rates were determined taking into consideration similar instruments with corresponding maturity dates, plus a credit adjustment in accordance with the borrower's credit worthiness.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

March 31, 2021

Investment name	Valuation technique		Fair value	Unobservable inputs
Field Trip	Black-Scholes Model	$	295,025	Volatility
Convertible debentures receivable	Comparable instruments	$	1,227,951	Comparable prices
Interest receivable	Comparable instruments	$	110,376	Comparable prices

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments. As at March 31, 2021, a change in the transaction price of 5% would result in an increase/decrease in the fair value estimate of the investment of approximately $118,000, keeping all other variables constant.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at March 31, 2021, management believes that the credit risk with respect to its financial assets is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. As at March 31, 2021, management believes that its liquidity risk is minimal.

16. Fair Value and Financial Risk Factors (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors. The market risk factor that affects the Company is foreign currency risk.

(a) Interest rate risk

The Company has cash balances and loan receivable. The Company's current policy is to invest excess cash held as collateral in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors its cash activities in compliance with its cash management policy.

As of March 31, 2021, the Company's interest rate risk mainly relates to the convertible debenture receivable but its interest rate risk is limited as the convertible debenture receivable is subject to a fixed interest rate.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar. As of March 31, 2021, sensitivity to a plus or minus 10% change in US dollar foreign exchange rate would affect the reported comprehensive loss by approximately $272,000; sensitivity to a plus or minus 10% change in Australian dollar foreign exchange rate would affect the reported comprehensive loss by approximately $143,000 and sensitivity to a plus or minus 10% change in Euro foreign exchange rate would affect the reported comprehensive loss by approximately $185,000.

17. Related Party Transactions

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and members of the Company's Board of Directors.

(Expressed in Canadian Dollars)

17. Related Party Transactions (continued)

Compensation awarded to key management personnel is as follows:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Consulting fee - Emmcap Corp. (i)	$ 15,000	$ 60,000
Consulting fee - Seek Capital Management (ii)	-	30,000
Salaries (v)	178,592	-
Lease payments (vi)	40,420	-
Share-based compensation (i)(iii)(iv)(note 15(iii))	502,478	-
Total	$ 736,490	$ 90,000

	Nine months ended March 31, 2021	Period from May 22, 2019 (Date of incorporation) to March 31, 2020
Consulting fee - Emmcap Corp. (i)	$ 220,000	$ 190,000
Consulting fee - Seek Capital Management (ii)	90,000	90,000
Consulting fee- Bay Street Mercantile (iii)	90,000	100,000
Salaries (v)	502,417	-
Lease payments (vi)	111,933	-
Sub-contract fees (vii)	3,974	-
Share-based compensation (i)(iii)(iv)(note 15(iii))	652,941	472,500
Total	$ 1,671,265	$ 852,500

(i) Emmcap Corp. is controlled by Yaron Conforti, the CEO of the Company. As at March 31, 2021, Emmcap Corp. was owed $nil (June 30, 2020 - $37,800) which was included in accounts payable and accrued liabilities. During the period ended March 31, 2021, Emmcap Corp. subscribed to 194,300 common shares of the Company for $194,300 (period from incorporation on May 22, 2019 to March 31, 2020 - 4,387,500 shares for $193,500). The Company recorded share-based compensation of $19,040 (three and nine months ended March 31, 2020 - $nil and $157,500, respectively) to Emmcap Corp during the three and nine months ended March 31, 2021.

17. Related Party Transactions (continued)

(ii) Seek Capital is controlled by Jesse Kaplan, a director of the Company. As at March 31, 2021, Seek Capital was owed $nil (June 30, 2020 - $96,050) which was included in accounts payable and accrued liabilities. During the period ended March 31, 2021, Seek Capital. subscribed to 200,000 common shares of the Company for $200,000. The Company recorded share-based compensation of $19,040 (three and nine months ended March 31, 2020 - $nil and $157,500, respectively) to Seek Capital during the three and nine months ended March 31, 2021.

(iii) Bay Street Mercantile is controlled by Yisroel Weinreb, a director of the Company. As at March 31, 2021, Bay Street Mercantile was owed $nil (June 30, 2020 - $50,850) which was included in accounts payable and accrued liabilities. During the period ended March 31, 2021, Bay Street Mercantile subscribed to 100,000 common shares of the Company for $100,000 (period from incorporation on May 22, 2019 to March 31, 2020 - 4,387,500 shares for $193,500). The Company recorded share-based compensation of $19,040 (three and nine months ended March 31, 2020 - $nil and $157,500, respectively) to Bay Street Mercantile during the three and nine months ended March 31, 2021.

(iv) During the period from incorporation on May 22, 2019 to June 30, 2019, Jesse Kaplan, a director of the Company subscribed 17,550,000 common shares of the Company for $193,500. The Company recorded share-based compensation of $19,040 (three and nine months ended March 31, 2020 - $nil and $157,500, respectively) to the director during the three and nine months ended March 31, 2021.

(v) During the three and nine months ended March 31, 2021, the Company paid total salaries of $178,592 and $502,417, respectively, to Dr. Reid Robison and Seneca Anderson, both officers of the Company. As of March 31, 2021, the Company had a balance of $nil (June 30, 2020 - $nil) due to the officers.

(vi) During the three and nine months ended March 31, 2021, the Company made lease payments of $40,420 and $111,933, respectively (three and nine months ended March 31, 2021 - $nil) to a company controlled by Seneca Anderson, an officer of the Company for the use of an office space. As at March 31, 2021, the Company had a balance of $nil (June 30, 2020 - $nil) due to the company.

(vii) During the three and nine months ended March 31, 2021, the Company paid sub-contract fees of $nil and $3,974, respectively (three and nine months ended March 31, 2020 - $nil) to a company controlled by an Dr. Reid Robison, an officer of the Company. As at March 31, 2021, the Company had a balance of $nil (June 30, 2020 - $nil) due to the company.

(viii) During the nine months ended March 31, 2021, certain directors and officers of the Company (Dr. Reid Robison, Seneca Anderson and Chuck Rifici) subscribed to 35,000 common shares of the Company for $35,000.

(ix) As of March 31, 2021, the loan payable to Seneca Anderson, an officer of the Company, is $50,300 (June 30, 2020 - $nil), which is unsecured, due on demand and non-interest bearing.

(x) As of March 31, 2021, the Company owed $231,305 to Dr. Reid Robison and Seneca Anderson for consideration payable for Cedar Acquisition (note 4).

(Expressed in Canadian Dollars)

18. Cost of Services

	Three months ended March 31, 2021	Three months ended March 31, 2020	Nine months ended March 31, 2021	Period from May 22, 2019 (Date of incorporation) to March 31, 2020
Salaries and wages to psychiatric service providers	$ 354,561	$ -	$ 1,321,963	$ -
Depreciation of TMS system	40,927	-	115,276	-
Amortization of intangible assets	83,956	-	204,635	-
Total Cost of Services	**$ 479,444**	**$ -**	**$ 1,641,874**	**$ -**

19. Segmented Information

The Company has two reportable segments related to its outpatient mental health clinics business which it operates in the United States and corporate administration in Canada. The disclosure with regards to the Company's aforementioned segments and locations are listed below:

Three months ended March 31, 2021	**USA**	**Canada**	**Canada Total**
Revenue	$ 1,846,132	$ -	$ 1,846,132
Cost of sales	479,444	-	479,444
Gross profit	1,366,688	-	1,366,688
Total expenses	1,180,454	3,197,158	4,377,612
Other expense(income)	-	(1,311,783)	(1,311,783)
Net loss	$ 186,234	$ (1,885,375)	$ (1,699,141)

(Expressed in Canadian Dollars)

19. Segmented Information (continued)

Nine months ended March 31, 2021	USA	Canada	Total
Revenue	$ 4,319,246	$ -	$ 4,319,246
Cost of sales	1,641,874	-	1,641,874
Gross profit	2,677,372	-	2,677,372
Total expenses	2,903,464	4,951,424	7,854,888
Other expense(income)	1,379,144	(1,591,323)	(212,179)
Deferred tax recovery	(67,000)	-	(67,000)
Net loss	$ (1,538,236)	$ (3,360,101)	$ (4,898,337)

As at March 31, 2021	USA	Canada	Total
Non-current assets	$ 6,142,174	$ 1,338,328	$ 7,480,502
Total assets	$ 7,179,895	$ 11,375,750	$ 18,555,645
Total liabilities	$ 4,207,445	$ 638,890	$ 4,846,335

As at June 30, 2020 and during the period from May 22, 2019 to March 31, 2020, the Company had only one segment, that of corporate administration in Canada.

20. Subsequent Event

On April 13, 2021, the Company announced that it had increased its investment in Bionomics through the purchase of an additional 951,133 common shares at AU$0.145 per share for a total investment of AU$137,914 (CAD$132,000) to the Company's initial AU$827,486 investment (CAD$810,000).