NOVAMIND INC.
(Formerly Hinterland Metals Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Nine Months Ended March 31, 2021

(Expressed in Canadian Dollars, unless otherwise noted)

Dated: May 31, 2021

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") of the Company for the three and nine months ended March 31, 2021, has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the period from May 22, 2019, (date of incorporation) to June 30, 2020, the Company's fiscal year-end.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A and audited annual consolidated financial statements of the Company for the period from May 22, 2019 (date of incorporation) to June 30, 2020, together with the notes thereto, and unaudited condensed consolidated financial statements of the Company for the three and nine months ended March 31, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated financial statements have been prepared in accordance with International Standard 34, Financial Reporting. Accordingly, the information contained herein is presented as of May 31, 2021 unless otherwise indicated.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward-looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

OVERVIEW

Novamind Inc. (formerly Hinterland Metals Inc.) (the "Company" or "Hinterland"), incorporated under the Canada Business Corporations Act, is a leading 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, "NVMDF" on the OTC Markets and "HN2" on the Frankfurt Stock Exchange. The head office and registered office of the Company is located at 10 Wanless Ave, Suite 201, Toronto, Ontario, 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"). 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 consolidation ratio. All references to shares, per-share amount, and warrants in these financial statements have been retroactively restated to reflect the conversion ratio.

Novamind is a leading mental health company enabling safe access to psychedelic medicine through a network of clinics, retreats, and clinical research sites. Novamind provides ketamine-assisted psychotherapy and other novel treatments through its network of Cedar Psychiatry clinics and operates Cedar Clinical Research, a contract research organization specialized in clinical trials and evidence-based research for psychedelic medicine. Both Cedar Psychiatry and Cedar Clinical Research are wholly owned subsidiaries of Novamind.

BUSINESS OF THE COMPANY

The Corporation provides mental health services through its subsidiary, Cedar Psychiatry, a specialized provider of outpatient mental health services, and provides clinical trial services through its other subsidiary, Cedar Clinical Research ("CCR"), which manages and hosts clinical trials and research studies.

Cedar Psychiatry

In 2019, Cedar Psychiatry acquired the business of Noetic Psychiatry LLC, which had been in operation since 2016. Cedar Psychiatry was converted into a corporation under the name "Cedar Psychiatry, Inc." on June 20, 2020, in connection with the Cedar Acquisition. Cedar Psychiatry has established a growing network of outpatient mental health clinics in the State of Utah. Cedar Psychiatry has established itself as a provider of innovative, evidence-based mental healthcare services to patients of all ages. The primary services provided by Cedar Psychiatry are discussed in greater detail below.

Psychotherapy

Cedar Psychiatry offers multiple forms of psychotherapy including emotion-focused therapies, cognitive behavior therapy, dialectical behavior therapy, acceptance and commitment therapy, mindfulness-based stress reduction, and couples therapy. Psychotherapy is intended to serve as a tool to cope with daily life and enable a person to better function with/or resolve traumas, relationship difficulties, loss, medical illnesses and mental disorders like anxiety and mood disorders.

Psychiatric Medication Management

Cedar Psychiatry offers services related to psychiatric medication management, the practice of offering evidence-based care to optimize safe, effective, appropriate drug therapy. Patients are provided with individualized plans for the medication they are prescribed. Patients are then informed of the potential risks and benefits of their prescription(s). Following this, patients are monitored for the effectiveness of the medication over time.

Transcranial Magnetic Stimulation (TMS)

Cedar Psychiatry offers transcranial magnetic stimulation ("TMS"), a safe and well-tolerated procedure that can be effective for treating conditions including depression, especially in patients who have not benefitted from traditional medications or cannot tolerate medications due to side effects. The US Food and Drug Administration ("FDA") permitted the marketing of TMS as a treatment for major depressive disorder ("MDD") in 2008 and expanded its use to include TMS for treating the pain associated with certain migraine headaches in 2013. TMS is a non-invasive method of brain stimulation that relies on electromagnetic induction using an insulated coil placed over the scalp, focused on an area of the brain thought to play a role in mood regulation. The coil generates brief magnetic pulses, which pass easily and painlessly through the skull and into the brain.

Ketamine-Assisted Psychotherapy

Cedar Psychiatry administers ketamine via a practice called ketamine-assisted psychotherapy ("KAP"), whereby ketamine is administered either intravenously, intramuscularly, orally, or nasally in conjunction with a regimen of pre and post-therapeutic support. Ketamine has been safely used as an FDA-approved anesthetic since 1970 and has found use in psychiatry as a therapeutic for conditions including treatment-resistant depression ("TRD"). Ketamine has been shown to possess rapid antidepressant properties, with improved symptoms within two hours and duration of antidepressant effects for up to a week. Preliminary evidence suggests that when ketamine intervention is enhanced with therapeutic support, it may produce enduring benefits across a range of mental health disorders.

Additionally, Cedar Psychiatry physicians prescribe and administer Spravato™ (esketamine) CIII nasal spray, a derivative formulation of ketamine. Spravato™ was approved by the FDA for use in conjunction with oral antidepressants for adult patients with TRD and to treat adults with MDD experiencing acute suicidal ideation or behavior.

Cedar Clinical Research (CCR)

CCR is specialized in hosting phase I to phase IV clinical trials and research focused on emerging treatment options in neuropsychiatry on behalf of third-party sponsors. CCR operates a dedicated research center in Springville, Utah, which provides select contract research organization ("CRO") services for pharmaceutical companies. CCR also participates in both internally and externally organized research that is unaffiliated with clinical trials. CCR is developing psychedelic-assisted psychotherapy treatment protocols to provide patients with novel evidence-based therapies and clinicians with a systematic way to deliver psychedelic medicine and accompanying psychotherapy. Protocols are a critical component of improving outcomes with psychedelic medicine. They detail the specific interventions—from sequence and content to the accompanying support provided before, during and after a session.

CCR is validating the following treatment protocols through Institutional Review Board ("IRB") approved studies.

Emotion-Focused Ketamine-Assisted Psychotherapy ("EF-KAP")

Informed by principles of emotion-focused theory, the EF-KAP protocol helps patients learn to process and gain mastery of their emotions. EF-KAP is unique in the way it leverages both the benefits of ketamine-assisted psychotherapy and the healing power of a supporting partner, friend or family member. Doing so creates a recovery-friendly environment outside of the clinic setting, strengthening meaningful relationships, and extending healing beyond the client.

Group-Based Ketamine-Assisted Psychotherapy ("G-KAP")

Demand for quality mental health care has increased significantly making access to that care difficult for many. The G-KAP protocol addresses this problem by combining the supportive community found in group therapy with the processing power of ketamine in a protocol that allows specially-trained providers to help many people at once.

KEY HIGHLIGHTS AND CORPORATE UPDATES

The following are selected events that occurred during the three months ended March 31, 2021:

On January 5, 2021, the Company officially started trading on the Canadian Stock Exchange (CSE) under the symbol "NM".

On January 15, 2021, the Company entered into a service agreement with Agora Internet Relations Corp. for an aggregate consideration of $75,000 from January 15, 2021 to January 31, 2022. On January 26, 2021, the Company issued 11,770 shares for $15,000. On April 15, 2021, the Company issued 12,107 shares for $15,000.

On January 26. 2021, the Company granted Venture North Capital Inc. 100,000 share purchase warrants with exercisable at a price of $1.65 per share for 12 months from the date of issuance.

On January 26, 2021, the Company entered into a service agreement with Octagon Media Corp. and granted 100,000 stock options and 400,000 share purchase warrants with an exercise price of $1.65 per share for 12 months from the date of issuance.

On January 13, 2021, the Company announced the expansion and optimization of the Layton, Utah clinic. The redesigned Layton Clinic now offers improved treatment rooms to accommodate a higher number of ketamine and Spravato™ treatments. The Layton Clinic expansion comes in response to a significant increase in demand for ketamine therapies across Novamind's mental health clinics. In 2020 alone, the Cedar Psychiatry clinic network facilitated over 20,000 clinic visits, an increase of over 100 percent compared to the same period in 2019.

On January 19, 2021, Novamind announced the expansion of its leadership team with the appointment of Pierre Bou-Mansour, P.Eng., to the role of Chief Operating Officer. Mr. Bou-Mansour assumes the responsibility for ensuring operational excellence as Novamind develops its network of clinics, retreats, and research sites in 2021 and beyond. An accomplished senior executive and leader, he brings a wealth of experience managing large and complex healthcare organizations. Prior to joining Novamind, Pierre served as the Chief Operating Officer of LifeLabs, a diagnostic laboratory services company he scaled exponentially into an industry leader with 5,700 employees and 355 patient service centres across three provinces in Canada. Most recently, he served as the Chief Laboratory Operations Officer of Public Health Ontario, serving Canada's largest province with over 14 million residents. In this role, Bou-Mansour successfully led the expansion of Public Health Ontario's testing capacity for the COVID-19 response.

On January 28, 2021, Novamind announced that it had reached two significant milestones at its Cedar Psychiatry clinics: administering over 5,000 ketamine treatments since its opening in 2016, and administering over 2,000 Spravato™ treatments since it became available in 2019.

On February 11, 2021, the Company announced that it has made a strategic investment of AU$827,486 (approximately CAN$810,000), in Bionomics Limited ("Bionomics") (ASX:BNO, OTCQB:BNOEF, Germany:AU000000BNO5), a biopharmaceutical company dedicated to developing better treatments for central nervous system disorders. In addition, Cedar Clinical Research, a wholly-owned subsidiary of Novamind, will be evaluated by Bionomics as a clinical research site to conduct Bionomics' Phase IIb trial examining BNC210, a new drug that has received Fast Track Designation from the FDA for the treatment of post-traumatic stress disorder (PTSD).

On February 22, 2021, the Company announced that it has been selected to be included in the underlying index of the Horizons Psychedelic Stock Index ETF (NEO: PSYK) (the "ETF"). The Company was added to the ETF via a

'Fast Entry' category, which allows the ETF to add new stocks shortly after they become publicly available, assuming they qualify, including a requirement for a minimum float market capitalization in excess of $50,000,000. The ETF seeks to replicate, to the extent possible and net of expenses, the performance of a market index that is designed to provide exposure to the performance of a basket of North American publicly-listed life sciences companies having significant business activities in, or significant exposure to, the psychedelics industry.

On March 3, 2021, the Company announced the appointment of Joseph Braganza to the role of Senior Vice President, Head of M&A with a mandate to lead Novamind's M&A strategy and to accelerate expansion plans for its network of clinics, retreats and clinical research sites. As an M&A specialist and strategist, Braganza built sustainable programmatic M&A approaches for high-growth organizations, including the Canadian Addiction Treatment Centres (CATC, a consolidator of outpatient addiction treatment clinics.

On March 18, 2021, the Company announced that Cedar Clinical Research had been selected as a key research site for a clinical trial focused on treatment-resistant depression by Merck & Co., a world-leading pharmaceutical company. The study is titled "A Phase IIa, Randomized, Placebo-Controlled Clinical Study to Evaluate the Efficacy and Safety of MK-1942 Added to Stable Antidepressant Therapy in Participants With Treatment-Resistant Depression."

SUBSEQUENT EVENTS

The following are selected events that occurred after the close of the period ended March 31, 2021:

On April 13, 2021, the Company announced that it had increased its strategic 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 (approximately CAN$132,000) in Bionomics' rights offering. In addition to Novamind's initial AU$827,486 investment (approximately CAN$810,000) announced on February 11, 2021, Novamind has invested in Bionomics a total of AU$965,400 (approximately CAN$942,000).

On April 21, 2021, the Company announced its collaboration with Center for Change, a Utah-based specialty psychiatric hospital and leading treatment facility for eating disorders. The two organizations shared preliminary findings from two studies using ketamine-assisted psychotherapy protocols to treat eating disorders: Emotion-Focused Ketamine-Assisted Psychotherapy (EF-KAP) and Group-based Ketamine-Assisted Psychotherapy (G-KAP).

On May 4, 2021, the Company announced plans to open four new Cedar Psychiatry clinics, doubling its network to eight total locations by September 2021. The expanded capacity from the New Clinics is forecasted to increase Novamind's patient volume from 20,000 clinic visits recorded in 2020 to approximately 65,000 clinic visits anticipated in 2021, a 225% increase.

On April 27, 2021, Joseph Braganza departed from the Company. Mr. Braganza was previously Senior Vice President, Head of M&A. His duties and mandate have been taken up by other members of the leadership team.

On May 18, 2021, the Company announced the opening of a new Novamind Client Care Center located in Murray, Utah, to manage the overwhelming demand for its treatments and to support its planned growth to eight clinics by September 2021. The new Client Care Center is staffed by highly trained personnel who connect and interact with clients through various communication channels. On an average weekday, Novamind's Client Care team responds to approximately 700 inbound calls from clients, physicians, and caregivers.

MILESTONES AND AVAILABLE FUNDS

The Listing Statement of the Company dated December 30, 2020, which is available on SEDAR at www.sedar.com, identified certain business milestones of the Company expected to be accomplished in 2021. The fiscal Q2/2021 ("FQ2/2021") MD&A of the Company dated March 1, 2021, which is also available on SEDAR at www.sedar.com, provided an update on those business milestones, and as of the date hereof, the Company has provided the status of these business milestones, the actual or revised estimated costs and the revised date of expected completion. The following are "forward-looking statements" and as such, there is no guarantee that such milestones will be achieved on the timelines indicated or at all. Forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. See "*Forward-Looking Statements*".

While there is no particular event or milestone that must occur for the Company's business objectives to be accomplished, the Company currently aims to achieve significant milestones in connection with the development of the Company's business. The table below outlines how the Corporation will achieve its business objectives in 2021. However, there is no guarantee that the Company will meet its business objectives or milestones described below within the specified time periods, within the estimated costs or at all. The Company may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described below.

Business Objective	Milestones	Anticipated Cost as of Filing Statement ($)	Revised Anticipated Cost as of FQ2/2021 MD&A ($)	Revised Anticipated Cost as of FQ3/2021 MD&A ($)	Anticipated Timing (calendar)	Status
Expand the business of Cedar Psychiatry and the infrastructure for participation in additional clinical trials and research studies through CCR.	Open and/or acquire additional mental health clinics in North America. Invest in infrastructure, staff, and business development initiatives required for participation in clinical trials for psychedelics and neuropsychiatry.	6,500,000	5,000,000	5,000,000	Q1-Q4 2021	In Progress. The Company has announced its plans to open four additional clinics by September 2021. Furthermore, the Company continues to pursue initiatives to acquire other mental health clinics.

Total Funds Available

As at March 31, 2021, the Company had a cash balance of $7,616,948. The table below outlines the anticipated use of the available funds and any variances to such uses from what was described in the FQ2/2021 update. The use of proceeds represents the anticipated costs for the period from January 1, 2021 to December 31, 2021 and assumes that no additional funds will be raised by the Company. The variances identified do not have a material impact on the Company's ability to achieve its business objectives and milestones.

The Company has used, or intends to use, its available funds as follows:

Use of Funds	Previous Use of Proceeds as of FQ2/2021 MD&A (March 1, 2021) ($)	Current Use of Proceeds as of FQ3/2021 MD&A (May 31, 2021) ($)	Variance
Development of additional Cedar Psychiatry Clinics and Infrastructure for participation in psychiatric clinical trials	5,000,000	5,000,000	Nil
Complete cash payments to Cedar Psychiatry and CCR founders to fulfill conditions acquisition	500,000	500,000	Nil
Marketing and business development	750,000	850,000	100,000
General and administrative	2,750,000	2,750,000	Nil
Unallocated working capital	192,334	92,334	(100,000)
Total	**9,192,334**	**9,192,334**	

The Company's business objective is to expand its footprint of outpatient mental health clinics and clinical trial site infrastructure by opening and acquiring new clinics and trial sites. The pace and extent of this expansion is contingent on available capital, the ability to raise further funds by selling common shares or by using our common shares as currency to facilitate transactions.

The Company has allocated approximately $5,000,000 towards the development of additional mental health clinics and infrastructure for participation in psychiatric clinical trials. The Company anticipates increasing its number of clinics and clinical research sites both through organic growth and through acquisitions. The Company anticipates that acquisitions will be made through a combination of cash and common shares.

The Company has allocated $500,000 as cash payments to the founders of Cedar Psychiatry and Cedar Clinical Research to fulfill its obligations as part of the agreement to acquire these entities.

The Company intends to spend approximately $850,000 on marketing and business development to increase awareness of the Cedar Psychiatry and Cedar Clinical Research operations and to drive patient traffic. Additionally, this expenditure will support the investor relations and public relations initiatives that are being implemented on behalf of the Company.

The only variance in the use of proceeds since the last MD&A (March 1, 2021) applies to the Company's marketing and business development initiatives, which is tracking at $100,000 above the original estimate due to higher than expected expenses on digital and social media initiatives, as well as expected local marketing required to support the opening of four new clinics.

The Company anticipates general and administrative costs of $2,750,000, consisting primarily of salaries and professional fees.

SELECTED FINANCIAL RESULTS

<u>Nine months ended March 31, 2021</u>

The Company reported a net loss of $4,898,337 for the nine months ended March 31, 2021.

Revenue for the period was $4,319,246 including service fee income of $4,219,568 and clinical trial income of $99,678. Service fee income consists primarily of third-party insurance payments provided for mental health evaluations and treatments such as psychiatric diagnosis and medication management, psychotherapy, transcranial magnetic stimulation, and ketamine-assisted psychotherapy. Clinical trial income consists of payments received for the recruitment and management of patients for pharmaceutical company-sponsored psychiatric clinical trials.

Cost of services of $1,641,874 represents the salaries and wages of employees directly involved in providing mental health treatments and clinical trial services (psychiatrists, psychologists, psychotherapists, technicians, and trial coordinators) and depreciation of certain right-of-use assets and amortization of certain intangible assets. The majority of the expenses was comprised of $1,181,552 in consulting fees primarily paid to the officers, directors and consultants for their services. Professional fees of $1,985,433 were primarily for legal and accounting services. Office and general expenses of $607,639 were comprised of costs related to business development, as well as rent and other miscellaneous expenses. Advertising and promotion expenses were $1,053,346. Fees for press release filing and distribution were $23,070. Depreciation for property and equipment, right of use assets and intangible assets in the period was $321,456. Interest and bank charges were $302,043. During the nine months ended March 31, 2021, the Company also incurred salaries and wages of $823,546, software license fees of $214,054, stock-based compensation of $1,163,608 and investor relations fees of $179,141. There were $1,379,144 in transaction costs related to the reverse takeover transaction with Hinterland, a $1,264,617 unrealized gain on investment in convertible debenture receivable, $373,900 gain on disposition of marketable securities, $97,125 interest income from investment in convertible securities, related to the convertible debenture investment in the Synthesis Institute and ATAI, $24,569 loss on conversion of convertible debenture receivable and $119,750 foreign exchange loss. The Company also recorded a deferred income tax recovery of $67,000.

Period from May 22, 2019 (date of incorporation) to March 31, 2020

The Company reported a net loss of $1,105,669 for the period from May 22, 2019 (date of incorporation) to March 31, 2020 which is comprised of $472,500 stock-based compensation, consulting fees of $480,167, advertising and promotion of $21,068, professional fees of $1,036 and office and general of $130,898.

The Company's net loss increased by $3,792,668 during the nine months ended March 31, 2021, as compared to the period from May 22, 2019 (date of incorporation) to March 31, 2020. The increase was mainly due to the increase of expenses of salaries and wages, professional fees, software license fees, depreciation and amortization, advertising and promotion, consulting fees, interest expense and bank charges and office and general due to the acquisition of Cedar Group in July 2020 and the expansion of the Company's business activities during the current period compared to the same period of last year. In addition, due to the RTO with Hinterland, the Company incurred $1,379,144 RTO transaction costs during the nine months ended March 31, 2021. The above increases of expenses were offset by the increase of gross margin of $2,677,372 during the nine months ended March 31, 2021, in comparison to the period from May 22, 2019 (date of incorporation) to March 31, 2020. The gross margin represents total revenue of $4,319,246 comprised of service fee income of $4,219,568 and clinical trial income of $99,678 minus cost of services of $1,641,874. The increase in gross margin is also due to the acquisition of Cedar Group in July 2020.

Three months ended March 31, 2021

The Company reported a net loss of $1,699,141 for the three months ended March 31, 2021.

Revenue for the period was $1,846,132 including service fee income of $1,800,397 and clinical trial income of $45,735. Service fee income consists primarily of third-party insurance payments provided for mental health evaluations and treatments such as psychiatric diagnosis and medication management, psychotherapy, transcranial magnetic stimulation, and ketamine-assisted psychotherapy. Clinical trial income consists of payments received for the recruitment and management of patients for pharmaceutical company-sponsored psychiatric clinical trials.

Cost of services of $479,444 represents the salaries and wages of employees directly involved in providing mental health treatments and clinical trial services (psychiatrists, psychologists, psychotherapists, technicians, and trial coordinators) and depreciation of certain right-of-use assets and amortization of certain intangible assets. The majority of the expenses was comprised of $240,229 in consulting fees primarily paid to the officers, directors and consultant for their services. Professional fees of $1,244,639 were for legal and accounting services. Office and general expenses of $319,978 was comprised of expenses related to business development, as well as rent and other miscellaneous expenses. Advertising and promotion expenses were $715,633. Fees for press release filing and distribution were $2,420. Depreciation for property and equipment, right of use assets and intangible assets in the period was $152,436. Interest and bank charges were $151,323. During the three months ended March 31, 2021, the Company also incurred salaries and wages of $319,213, software license fees of $93,874, stock-based compensation of $958,726 and investor relations fees of $179,141. There was an $1,064,396 unrealized gain on investment in convertible debenture receivable, $373,900 gain on disposition of marketable securities, $32,717 interest income from investment in convertible securities, related to the convertible debenture investment in the Synthesis Institute and ATAI, $24,569 loss on conversion of convertible debenture receivable and $134,661 foreign exchange loss.

Three months ended March 31, 2020

The Company reported a net loss of $184,772 for the three months ended March 31, 2020. Revenue was nil, and expenses comprised of consulting fees of $96,250, advertising and promotion of $4,545, professional fees of $1,036 and office and general of $82,941.

The Company's net loss increased by $1,514,369 during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020. The increase was mainly due to the increase of in salaries and wages, professional fees, software license fees, depreciation and amortization, advertising and promotion, consulting fees, interest expense and bank charges and office and general due to the acquisition of Cedar Group in July 2020 and the expansion of the Company's business activities during the current period compared to the same period of last year. The above increases of expenses were offset by the increase of gross margin of $1,366,6889 during the three months ended March 31, 2021 in comparison to the three months ended March 31, 2020. The gross margin represents total revenue of $1,846,132 comprised of service fee income of 1,800,397 and clinical trial income of $45,735 minus cost of services of $479,444.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As at March 31, 2021, the Company had a cash balance of $7,616,948. Current assets of $11,075,143 and current liabilities of $1,091,072 represent working capital of $9,984,071. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $6,227,831 as at March 31, 2021.

Management believes it has adequate capital to deliver on its business objectives as outlined in the "Milestones and Available Funds" section of this MD&A.

RELATED PARTY TRANSACTIONS

Related parties include the directors, close family members, and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Names	Nine Months Ended March 31, 2021 ($)	Period from May 22, 2019 (date of incorporation) to March 31, 2020 ($)
Consulting fee – Emmcap Corp. ("DSA") (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	nil
Lease payments (vi)	111,933	nil
Sub-contractor fees (vii)	3,974	nil
Share-based compensation (i)(iii)(iv)	652,941	472,500
Total	**1,671,265**	**852,500**

Names	Three Months Ended March 31, 2021 ($)	Three Months Ended March 31, 2020 ($)
Consulting fee – Emmcap Corp. ("DSA") (i)	15,000	60,000
Consulting fee – Seek Capital Management (ii)	nil	30,000
Salaries (v)	178,592	nil
Lease payments (vi)	40,420	nil
Sub-contractor fees (vii)	nil	nil
Share-based compensation (i)(iii)(iv)	502,478	nil
Total	**736,490**	**90,000**

(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.

(ii) Seek Capital is controlled by Jesse Kaplan, CFA, a director of the Company. As at March 31, 2021, Seek Capital was owed $nil (June 30, 2020 - $96,050). 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, a 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.

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 $0.10 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	**Amount ($)**
Consideration - cash	958,824
Consideration - shares	1,768,125
Total Consideration	**2,726,949**

Identifiable Assets Acquired	Amount ($)
Cash	429,436
Accounts receivable	368,561
Prepaid	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**
Goodwill	1,553,166
Total	**2,726,949**

The common shares value 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	0.13%	0.12%
Term	0.5 years	1 year

The cash consideration due six and twelve months after year-end was 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.

REVERSE TAKEOVER OF HINTERLAND

The share capital of each company prior to the RTO was as follows:

Hinterland	Number of Common Shares	Amount ($)
Balance, September 30, 2020	455,377	5,553,709
Conversion of convertible debentures	916,640	248,288
Balance, December 22, 2020, prior to the RTO	1,372,017	5,801,997

Novamind	Number of Common Shares	Amount ($)
Balance, September 30, 2020	28,128,749	6,147,548
Shares issued in private placement	10,000,000	8,960,782
Shares issued for the Cedar Acquisition	500,000	200,000
Balance, December 22, 2020, prior to the RTO	38,628,749	15,308,330

On December 22, 2020 ("RTO Date"), the Company completed an 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:

- 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.

- 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.

The allocation purchase price calculation is as follows:

Consideration	Amount ($)
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	Amount ($)
Cash	175,178
Accounts receivable	5,382
Accounts payable	(2,821)
Total Identifiable Assets Acquired	**177,739**
Unidentifiable assets acquired	
Transaction costs	1,379,144
Total	**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 was 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%

CAPITAL MANAGEMENT

The Company considers its capital to be its shareholders' equity. As at March 31, 2021, the Company had shareholders' equity of $13,709,310. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the period ended March 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Management regularly monitors economic and financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Impact of COVID-19 Pandemic on Operations

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service demand and labor and service provider availability;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain additional funding

At the date of this MD&A, the Canadian and United States governments have not introduced measures that impede the activities of the Company. Management believes the business will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Novamind in future periods.

Novamind has sufficient cash on hand to fund its operations and meet its working capital requirements. To date, the Company has not been significantly affected by the COVID-19 pandemic, and its clinic operations in Utah continue to operate as usual. Given the impact that the pandemic has had on the mental health of the population, our mental health clinics continue to experience significant demand for services.

Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

FINANCIAL INSTRUMENTS AND 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. The 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 following table illustrates the classification of the Company's financial instruments recorded at fair value within the fair value hierarchy as at March 31, 2021:

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

Level 3 hierarchy:

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

	Opening Balance ($)	Purchases and Interest Income ($)	Converted From Convertible Debenture Receivable ($)	Unrealized Gain on Investment ($)	Foreign Exchange ($)	Ending Balance at March 31, 2021 ($)
Marketable securities	196,615	nil	nil	98,410	nil	295,025
Investment in convertible securities	1,139,590	232,320	(288,675)	188,964	(44,248)	1,227,951
Interest receivable	48,169	87,789	(5,228)	nil	(20,354)	110,376

Within Level 3, the Company includes marketable securities subject to a holding period and convertible debentures 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 debentures and interest receivable include the market interest rates for similar loans and convertible debentures. The market interest rates were determined by taking into consideration similar instruments with corresponding maturity dates, plus a credit adjustment in accordance with the borrower's creditworthiness.

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

Investment Name	Valuation Technique	Fair Value ($)	Unobservable Inputs
Field Trip	Black-Scholes Model	295,025	Volatility
Convertible Loan	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 $13,000, 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.

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.

(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.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. For a detailed description of risk factors associated with the Company, please refer to the "Risk Factors" section of the Annual Information Form, which is available on SEDAR at www.sedar.com. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.