



NUMINUS

NUMINUS WELLNESS INC.

**ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2023**

November 29, 2023

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EXPLANATORY NOTES

References to "**Numinus**", "**our**", "**us**", or "**we**" refer to Numinus Wellness Inc. and its direct and indirect subsidiaries, unless the context or text indicates otherwise.

Date of Information

Unless otherwise stated, the information in this Annual Information Form ("**AIF**") is stated as at August 31, 2023.

Presentation of Financial Information

Numinus presents its financial statements in Canadian dollars. All dollar figures in this AIF are in Canadian dollars, unless otherwise indicated. All the financial data and information contained in this AIF relating to Numinus has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Defined Terms

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the Glossary of Terms at Appendix "B" of this AIF.

Industry and Market Data; Medical Research

Unless otherwise indicated, the market and industry data or references to medical research conducted by third-parties contained or incorporated by reference in this AIF, is based upon information from independent industry publications, market research, analyst reports, medical journals, publications and surveys and other publicly available sources. Although Numinus believes these sources to be generally reliable, market and industry data and research result is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any such publication. Numinus has not independently verified any of the data from third party sources referred to or incorporated by reference herein, and accordingly the accuracy and completeness of such data is not guaranteed.

Forward-Looking Statements

Certain statements (collectively, "**forward-looking statements**") in this AIF about Numinus' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer (collectively, "**Securities Laws**"). The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Discussions containing forward-looking statements include, among other places, those under "*Business of Numinus*" and "*Risk Factors*". Forward-looking statements are based on certain

assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments including projected growth in the security and related industries, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct.

Factors that could cause actual results to differ materially from expectations include, but are not limited to: **industry risks** – related to applicable legislation within the psychedelics industry not allowing for growth opportunities for Numinus; the fragmented nature of clinical psychedelics; previous high profile failures and exits by other companies from the psychedelic clinical industry; the pursuit and operation of its business as intended and the marketability of any of Numinus' products; Numinus' compliance with regulatory requirements; changes in laws, regulations and guidelines related to psychedelics; the impact of unfavorable publicity or consumer perception of Numinus or the psychedelics industry; significant opposition from the established pharmaceutical industry; increased risks of litigation, complaints and enforcement actions; the psychedelics industry being a relatively new industry and market; the application of financial services risk management programs; **business risks** – related to the nature of the clinic industry; compliance with general healthcare regulation requirements; uncertainty surrounding drug development success and approvals; Numinus' ability to obtain and sustain required regulatory certification and licencing; medical regulatory bodies disciplining Numinus' physicians for excessive psychedelic prescriptions; compliance with provincial, state and federal health care plan payment requirements; Numinus' violations of laws and regulations; Numinus' ability to attract and retain patients and research subjects; effectiveness and efficiency of Numinus' marketing program; publication of negative results of studies or clinical trials related to psychedelics; the ability and willingness of physicians to provide services at Numinus' facilities; Numinus' compliance with privacy and data protection laws; cyber-attacks; Numinus' ability to compete successfully; failure to obtain or register intellectual property rights; ongoing global economic and political instability, including recent bank failures; Numinus' ability to appropriately manage growth; retention and acquisition of skilled personnel, including key personnel; exposure to legal and regulatory proceedings and product liability; maintenance of appropriate insurance coverage; distributor and supply chain interruptions; product recalls; foreign operations; conflict of interests by Numinus' directors and officers; Numinus' employees, independent contractors and consultants engaging in illegal activities; difficulty in quantifying psychedelics and integrative mental health industries for purposes of comparison with Numinus' performance; the impacts of COVID-19, including its impact on the global economy and its impact on Numinus' business, financial condition or results; Numinus' limited operating history in its industry; Numinus' acquisitions of, or collaborations with, other companies or businesses; **financial and accounting risks** – related to Numinus' ability to continue as a going concern; Numinus' ATM Offering program; Numinus' ability to achieve its stated goals or execute its strategies; Numinus' ability to obtain financing and access to capital; the accuracy of Numinus' estimates and assumptions relating to its critical accounting policies; the adequacy of Numinus' internal controls, including over recently completed acquisitions; Numinus' ability to comply with reporting issuer requirements under applicable Securities Laws and stock exchange policies; increasing regulatory and compliance costs; and negative publications by analysts regarding Numinus and the Common Shares.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors, which are discussed in greater detail in the "Risk Factors" section of this AIF.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding Numinus' financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those anticipated in such forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this AIF. Furthermore, unless otherwise stated, the forward-looking statements contained in this AIF are made as of the date of this AIF, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

BACKGROUND AND CORPORATE STRUCTURE

Name, Address, and Incorporation

Numinus was incorporated under *the Company Act* (British Columbia) on June 26, 1962 under the name "Triform Explorations (B.C.) Ltd. (N.P.L.)". On October 26, 1964, Numinus amended its articles to change its name from "Triform Explorations (B.C.) Ltd." to "Triform Mining Ltd." On October 21, 1968, Numinus amended its articles to change its name from "Triform Mining Ltd." to "Lucky Strike Mines Ltd." On June 24, 1980, Numinus amended its articles to change its name from "Lucky Strike Mines Ltd." to "Lucky Strike Resources Ltd." On February 18, 2015, Numinus amended its articles to change its name from "Lucky Strike Resources Ltd." to "Rojo Resources Ltd."

On May 15, 2020, Numinus acquired 100% of the issued and outstanding securities of a private company, Numinus Bioscience Inc. (formerly, Salvation Botanicals Ltd.) ("**Numinus Bioscience**"), pursuant to a securities exchange transaction, which constituted a "reverse takeover" (the "**RTO**") and Numinus changed its name to "Numinus Wellness Inc." in connection with the RTO, with Numinus being the "reverse takeover acquiree" and Numinus Bioscience being the "reverse takeover acquirer", each as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

Numinus Bioscience was incorporated on March 4, 2011, under the name "0904649 B.C. Ltd.". On April 20, 2016, Numinus Bioscience was created as a result of the amalgamation of 0904649 B.C. Ltd. and Green Penguin Delights Inc. and, upon completion of the RTO, Numinus Bioscience became a wholly-owned subsidiary of Numinus.

Numinus' head office is located at 801 – 33 Water Street, Vancouver, BC V6B 1R4, and its registered and records office is located at Suite 2500 Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8.

Inter-Corporate Relationships

As of the date hereof, Numinus has nine 100% wholly-owned active subsidiaries as follows:¹

Name of Subsidiary	Percentage of Ownership	Country of Incorporation	Principal Activity
Numinus Health Corp.	100%	Canada	Health and wellness
Neurology Centre of Toronto Inc.	100%	Canada	Health and wellness
Mindspace Services Inc. <i>(formerly Mindspace Psychology Services Inc.)</i>	100%	Canada	Health and wellness
Numinus Wellness Research Inc.	100%	Canada	Research
Foundations for Change Inc.	100%	United States	Health and wellness
Numinus Wellness UT Inc. <i>(formerly Cedar Psychiatry Inc.)</i>	100%	United States	Health and wellness

¹ Excludes inactive subsidiaries whose assets and revenues are less than 10% individually and less than 20% in aggregate of the total assets or revenues of Numinus.

Name of Subsidiary	Percentage of Ownership	Country of Incorporation	Principal Activity
Cedar Clinical Research Inc.	100%	United States	Research
Numinus Health (USA) Inc.	100%	Delaware, USA	Holding company
Numinus Digital Inc.	100%	Canada	Practitioner Training

Overview of the Business

Numinus' business is focused on delivering mental health treatments and commercializing legal psychedelic-inspired medicines and other integrative mental health care approaches. Numinus operates through three key segments or divisions: (1) Numinus' research operations (the "**Research Operations**"), (2) the Canadian Clinic Network, and (3) Numinus' network of clinics in the United States (the "**U.S. Clinic Network**" and together with the Canadian Clinic Network, the "**Clinic Networks**"). Numinus also provides training to health care professionals, including in the area of psychedelic-assisted therapy ("**PAT**").

The Clinic Networks are operated or managed by Numinus Health Corp. ("**Numinus Health**") in British Columbia, Neurology Centre of Toronto in Ontario, Mindspace in Quebec, Numinus Wellness UT Inc, in Utah and Foundations for Change Inc. in Arizona. Through the Clinic Networks, Numinus provides mental health solutions centered around developing and supporting the safe, evidence-based, accessible use of PAT. Numinus also offers therapy services, neurology services and other wellness services. Investigator initiated research and site research services are also provided through the Clinic Networks. Additionally, its Montreal and Vancouver locations support clients in accessing PAT through Health Canada's Special Access Program ("**SAP**"). As of the date hereof, Numinus operates 10 clinics across Canada and the U.S., in British Columbia, Ontario, Quebec, Arizona and Utah, after taking into account the wind down of its Phoenix announced on the date of this AIF.

In the United States, CCR offers a wide range contract research services, including phase I-IV trials, bioequivalence, bioavailability, pharmacogenetic studies and psychedelic studies. CCR has provided services to large and small organizations, including Mind Medicine Inc., Usona Institute, Ketamine Research Foundation, Merck, University of Utah, and Jansenn, Bionomics Ltd. CCR operates in three locations, two in Utah and one in Arizona and may operate in other jurisdictions through site management agreements with third-party clinics and practitioners.

DEVELOPMENT OF THE BUSINESS

Three Year History

Events Subsequent to the Year Ended August 31, 2023

Subsequent to the year end, Numinus continued to identify opportunities to improve operational results and best position for future growth.

Numinus launched PAT services designed for chronic and serious medical illness, encompasses a wide range of diagnoses from terminal cancer to chronic pain, in October 2022. This new program was introduced first in Numinus' clinics in Utah, British Columbia, and Quebec.

On September 18, 2023, Numinus announced that, in line with efforts to reduce cash expenses, it would cease operations at Numinus Bioscience, its non-revenue-producing research lab and not renew the leases on its research clinic locations in Montreal and Vancouver. Numinus Bioscience will remain a legal entity under Numinus, ensuring Numinus will retain all intellectual property, patents, and regulatory licenses.

In the same month, Numinus did not renew one of its Montreal leases, reducing the number of clinics in Quebec to three. Numinus also consolidated its Peoria clinic into the Phoenix clinic in September 2023 and announced that it intended to wind down the Phoenix clinic by news release of even date herewith. Unlike the rest of the U.S. Clinic Network, efforts to turn around the Phoenix clinic have been unsuccessful despite investing significant financial and management resources.

In terms of capital raising, launched an at-the-market offering (the "**ATM Offering**") in September 2023. As of the date of this AIF, Numinus has issued 628,500 Common Shares for gross proceeds of \$76,305 or \$74,779 net of commissions.

Year Ended August 31, 2023

In 2023, Numinus focused on improving the productivity of our clinics and training offerings, drive higher long-term margins, and extending our cash runway through cost reduction and efficiencies. Activities included launching the Numinus Practitioner Training and Numinus Network™ programs, focusing capital and people resources towards revenue producing business lines, and preparing for expanded insurance payor coverage of PAT. Collectively, we believe these actions will improve the productivity of our clinics and training offerings, drive higher long-term margins, and extend our cash runway.

In April 2023, Numinus launched the Numinus Network Program, a licensing program that offers practitioners to retain ownership of their practice and performance while leveraging Numinus protocols, infrastructure, and services under license. Several services options are available - licensing a full Numinus clinic with support services, licensing protocols or leveraging Numinus to provide ketamine therapy alongside a third-party therapist who provides integration therapy. The Numinus Network program is designed to scale the Clinic Network with limited capital investment and overhead. In May 2023, Numinus signed its first practitioner partner, although no patients have been treated under that agreement to date.

In support of the Numinus Network, Numinus also entered into partnership with Healing Commercial Real Estate Inc., a health care focused real estate investment company with deep market knowledge of the psychedelic sector, to provide Numinus Network licensee with turnkey clinic locations.

In June 2023, Numinus entered into an agreement with HealingMaps. HealingMaps connects people seeking mental health treatment options with trusted and qualified clinics and practitioners in their region and its website generates more than 300,000 organic visitors per month. As part of such agreement, HealingMaps showcases Numinus' services and clinics on their platform, and engages with practitioners interested in participating in the Numinus Network, or furthering their PAT training through Numinus' practitioner PAT certification programs.

In September 2023, in keeping with its plans to integrate NCT and Mindspace into its operations, Numinus launched ketamine-assisted therapy in Montreal and Toronto. In the same month, Numinus also launched financing options available for Canadian patients through iFinance.

In March 2023, Numinus Digital launched the Numinus Certification Pathway, a collection of training courses to develop core PAT skills through multi-modal teaching methods including interactive evidence and theory reviews, audio-visual design, case-based learning, experiential learning, in-person shadowing opportunities, and more. Training pathways include ketamine, MDMA, and Psilocybin PAT. The training pathway courses are recognized by the Canadian Psychological Association (CPA), the l'Ordre des psychologues du Québec (OPQ), the Canadian Counselling and Psychotherapy Association (CCPA) and the USA National Board for Certified Counsellors (NBCC). Numinus has also invested in developing the learning system used to deliver the Numinus Certification Pathway courses.

In connection with its training and research activities, Numinus clinical trial application to Health Canada to enable MDMA-assisted therapy experiential training for practitioners as part of an investigational Phase 1 clinical trial in December 2022. In connection with this experiential training, Numinus partnered with MAPS in June to license their protocols in connection with the training.

Cedar Clinical Research was involved in several notable clinical trials in fiscal 2023, including acting as a clinical research site for Compass Pathways' COMP360 psilocybin therapy for treatment-resistant depression, which is part of the largest-ever international clinical study of psilocybin therapy, and MindMed's Phase 2B study evaluating MM-120 for general anxiety disorder, where CCR was the top enrolling research site.

During fiscal 2023, Numinus Bioscience developed a psilocybin-containing tea bag, EnfiniTea , for use in clinical research and, if appropriate regulatory approvals are granted, eventual treatment of clients in PAT. The product has also been submitted to Health Canada to be included on the psilocybin supplier list for SAP, through which health care providers can apply to provide psilocybin-assisted therapy, among other psychedelic-assisted therapies, to patients with demonstrable need. In February, Health Canada approved a clinical trial to test safety and efficacy in a clinical setting. This product and the related research as on hold.

Numinus launched a new website in April 2023 and re-launched its "Psychedelic Therapy Frontiers" podcast with additional hosts and topics in November 2021.

Numinus issued an aggregate of 287,504 Common Shares on the exercise of Options with a weighted average price of \$0.25 per Common Share and an aggregate of 2,411,774 Common Shares were issued on the exercise of Warrants with a weighted average exercise price of \$0.35 per Common Share.

Year Ended August 31, 2022

In June 2022, Numinus continued to expand with the acquisition of Novamind Inc. The Novamind acquisition was done by way of a court-approved plan of arrangement, for total share consideration valued at approximately C\$26.2 million on a fully diluted in-the-money basis. Under the terms of the Novamind acquisition, shareholders of Novamind received 0.84 of a Common Share for each common share of Novamind Share held, implying an offer price of \$0.44 per Novamind Share at a premium of 51% to the 20-day volume-weighted average price on the CSE. Numinus does not have any contingent obligations in connection with the Novamind acquisition. Several executive appointments were made on conclusion of the Novamind acquisition.

Numinus Canadian Clinical network expanded with the flagship wellness clinic location in Vancouver and in May 2022, Health Canada also approved an application to complete PAT using Psilocybin to treat an applicant with treatment-resistant depression through SAP, which was amended January 5, 2022, to include access to psychedelic compounds on a case-by-case basis.

In June 2022, Numinus, through its U.S. Clinic Network, announced that it had launched a pilot mental health program for corporate clients: Corporate KAP, aimed at helping Utah businesses improve employee mental health by offering KAP as a health benefit for eligible employees.

The Numinus Bioscience business also advanced in 2022 by means of several regulatory approvals, including being added to the list of federally licensed Psilocybin producers by Health Canada in January and by being approved by the Public Health Agency of Canada for a containment level 2 (CL2) pathogens and toxins licence in March. On March 9, 2022, Numinus Bioscience received approval from Health Canada to study Ayahuasca and San Pedro at its research facility, permitting Numinus to legally to work with San Pedro cactus, the beta-carbolines harmaline and harmalol, and the following botanical materials: Banisteriopsis caapi, Psychotria viridis, Diplopterys cabrerana, Mimosa tenuiflora.

Numinus Bioscience finalized the study design and protocol for a Phase 1 clinical trial on a naturally derived Psilocybin extract. This milestone advances Numinus' investigation of its first proprietary psychedelic product, which was developed using a patent-pending technology submitted to the USPTO. The Phase 1 clinical trial, "A Healthy Adult Investigation Observing Endpoint Measures of Safety and Relative Bioavailability of Psilocybin in comparison to a Psilocybe extract: a fasting, blinded, crossover study" (HOPE), will ascertain the safety and bioavailability of the subsequent formulation developed to stably deliver Psilocybin and other synergistic compounds in January 2022. In April 2022, Numinus Bioscience identified an additional drug product candidate, NBIO-03, that is nearing the final stages of development. Numinus intends to include NBIO-03 in the Phase 1 clinical trial alongside NBIO-01 to establish a maximum tolerated dose. Due to competing capital priorities, Numinus has cancelled this clinical trial with the closing of Numinus Bioscience. The studies have been paused with the closing of the Numinus Bioscience business.

On June 27, 2022, Numinus introduced its new logo and brand identity.

In terms of capitalization, Numinus issued 1,902,000 Common Shares on the exercise of with a weighted average price of \$0.40 Common Share and 4,352,160 Common Shares on the exercise of Warrants with a weighted average price of \$0.37 per Common Share. Numinus also issued 2,000,000 common in connection with the departure of its former Chief Strategy Officer.

On January 27, 2022, Numinus shares commenced trading on the OTCQX® Best Market under the symbol "NUMIF."

Year Ended August 31, 2021

Numinus was focused on growth during the year ended August 31, 2021. On February 8, 2021, Numinus completed the acquisition of a 100% interest in Mindspace Services Inc. to expand its Canadian clinical network to the Quebec market. As consideration for Mindspace acquisition, Numinus paid cash in the amount of \$500,000 and agreed to issue 441,176 Common Shares to the shareholders of Mindspace over the course of 24 months following the acquisition of Mindspace. As of February 2023, these shares have been issued. Numinus also agreed to make

contingent payments of up to \$1,100,000, to be settled through the issuance of Common Shares upon achievement of certain milestones between closing of the transaction and February 2024.

On September 23, 2021, Numinus also completed the acquisition of the Neurology Centre of Toronto, to expand its Canadian clinical network to the Ontario market. As consideration for Mindspace acquisition, Numinus paid cash in the amount of \$300,000 and issued \$200,000 in Common Shares upon closing. Numinus also agreed to make contingent payments of up to \$500,000, to be settled through the issuance of Common Shares upon achievement of certain milestones between closing of the transaction and September 2024.

In June 2021, Numinus Bioscience filed a provisional patent application with the USPTO for a process that dramatically increases the production of therapeutics for use in psychedelic-assisted psychotherapy. The sustainable, reproducible, and easily scalable process will be used to rapidly generate therapeutic products from psychoactive fungi species that contain Psilocybin, other psychoactive compounds, and a range of additional beneficial compounds, some of which Numinus' researchers characterized for the first time in psychedelic fungi. The resulting psychedelic products may be delivered in micro or macro dosages to help treat mental health disorders that affect millions of people around the world.

Other developments in the Numinus Bioscience business include including the acquisition of the Orbitrap Exploris 120 mass spectrometer with Vanquish Flex Binary instrument for its continued research and development of Psilocybe mushroom related projects at its Lab and Testing Facility and entering into services agreement with Optimi Health Corp. ("**Optimi**"), pursuant to which Optimi was able to utilize and leverage Numinus Bioscience's laboratories, equipment, services and expertise to undertake a number of research and development projects related to Psilocybe mushrooms, psychedelic compounds, and formulations in January 2021. Further, in May 2021, Numinus and Optimi, through Impact Clinical Trials Accelerator at the University of Calgary, submitted a pre-clinical trial application to Health Canada regarding production of a consistent dosage from Psilocybe mushrooms.

Numinus' activity also included the CAC Trial for MDMA-assisted therapy for individuals living with PTSD in collaboration with MAPS. This trial transitioned into the pre-implementation stage February 2021 following the completion of several milestones and was approved Health Canada on July 12, 2021. The CAC trial was subsequently replaced with the MAPSUSX study "A multi-site open-label extension study of MDMA-assisted psychotherapy for PTSD. Numinus provided research services through its Montreal and Vancouver sites. The full program was completed in July 2022 and MAPS' analysis is ongoing.

In terms of capital raising, Numinus completed a bought deal financing of 32,200,000 units (consisting of one Common Share and one-half of a Warrant) at a price of \$1.25 per unit for gross proceeds of \$40,250,000 in March 2021. Each Warrant was exercisable to acquire one Common Share for period of 24 months at an exercise price of \$1.75 per Common Share. In connection with financing, Numinus also issued 1,932,000 non-transferrable Options to the agent. The Warrants and compensation warrants expired in March 2023.

In 2021, Numinus also issued an aggregate of 3,176,878 Common Shares on the exercise of Options with a weighted average price of \$0.25 per Common Share and an aggregate of 27,786,856 Common Shares were issued on the exercise of Warrants with a weighted average exercise price of \$0.59 per Common Share.

Effective June 18, 2021, Numinus' listing was graduated to Tier 1 status on the TSX.V and effective December 16, 2021, Numinus graduated from Tier 1 on the TSX.V to the TSX.

Impact of COVID-19

A strain of novel coronavirus ("**COVID 19**") was initially reported in December 2019, declared a pandemic by the World Health Organization ("**WHO**") on March 11, 2020 and a provincial state of emergency by the Province of British Columbia on March 18, 2020. Actions taken globally in response to COVID 19 significantly interrupted international business activities and contributed to significant volatility in the financial markets.

As of the date of this AIF, COVID-19 restrictions have been lifted in all jurisdictions where Numinus operates. Although the COVID-19 was downgraded by the WHO from a pandemic to an established and ongoing health issue on May 4, 2023 and the provincial state of emergency was declared over by the Province of British Columbia on June 30, 2021, the COVID-19 virus continues to mutate and be transmitted within the community, COVID-19 and the possibility of other national and/or global epidemics or pandemics remain a concern according to the WHO. It is uncertain how governments will balance public health and economic factors at a time when COVID-19 appears to be in transition but when the risk of emergence of new variants and/or new viruses remains high.

Furthermore, the recovery from COVID-19 may have risks in that increased economic activity globally or regionally may result in high demand for, and constrained access to, materials and services required for Numinus' operations, which may lead to increased costs or delays that could materially and adversely affect its business. Global demand on shipping and transport services may cause Numinus to experience delays in the future, which could impact its ability to obtain materials in a timely manner. These factors could otherwise disrupt Numinus' operations and could negatively impact its business, financial condition, and results of operations.

Numinus continues to monitor the situation and adjust its health and safety protocols as recommended by the Canadian federal and provincial health authorities to ensure the safety of its employees and clients. As of the date of this AIF, COVID-19 has a nominal impact on Numinus' operations, capital, liquidity, and expenditures.

Significant Acquisitions

There were no significant acquisitions during the financial year ended August 31, 2023.

BUSINESS OF NUMINUS

Our Company

Numinus develops proprietary, psychedelic-centered, therapeutic products and services through its own laboratory and research & development processes, to be delivered through its network of physical locations, digital solutions, and partnerships. Numinus operates through three key segments or divisions: (1) Research Operations, (2) the Canadian Clinic Network, and (3) the U.S. Clinic Network.

Numinus' Clinic Network consists of the Canadian Clinic Network and the U.S. Clinic Network. Services provided include KAP for depression, neurological care and psychotherapy and counselling by registered psychologists and psychotherapists.

In both Canada and the USA, Numinus develops KAP protocols for other clinical indications, psychedelic neurology programming and therapeutic protocols for other legal psychedelic substances.

Numinus research is conducted through Numinus Bioscience in Canada and Cedar Clinical Research Inc. ("**CCR**") in the United States. Both MDMA and Psilocybin are in the process of being researched to be approved for therapeutic use to treat a number of mental health conditions, including PTSD, depression, anxiety, and addiction. Numinus is or has been involved with clinical trials with both substances and preparing for the eventual roll-out of these therapies to the general public, once approved by the appropriate regulatory bodies, through its Clinic Network. As of the date of this AIF, taking into account the closing of its facility in Arizona announced by news release of even date herewith, CCR operates two research sites in the United States.

Numinus currently holds the following material licenses:

Licence	Authorized Activities
<p><u>Active Limited License</u></p> <ul style="list-style-type: none"> • Pharmacy - Class E Business License No. 12317017-1714 • Limited Controlled Substance Business No. 12317017-8915 • Effective as of July 14, 2021 and expiring on 09/30/2025 • Issued in accordance with the <i>Utah Controlled Substances Act Rule</i> 	<ul style="list-style-type: none"> • Permits research with Human Clinical Investigational Drugs at the Murray, Utah location of CCR
<p><u>Active Limited License</u></p> <ul style="list-style-type: none"> • Pharmacy - Class E Business License No. 12317035-1714 • Limited Controlled Substance Business No. 12317035-8915 • Effective as of July 14, 2021 and expiring on 09/30/2025 <p>Issued in accordance with the <i>Utah Controlled Substances Act Rule</i></p>	<ul style="list-style-type: none"> • Permits research with Human Clinical Investigational Drugs at the Draper, Utah location of CCR

Business Strategy and Plan

Research Operations

Numinus' Research Operations is focused on providing clinical research management services to academic institutions and biotechnology companies. CCR operates two clinical research sites, all of which are currently supporting leading drug developers in psychedelic medicine with critical infrastructure and services. All such services are in the context of FDA-approved or, if applicable, Health Canada- approved clinical trials.

CCR is based in various cities in the state of Utah in the United States, focused on hosting phase I and phase IV clinical trial and research focused on emerging treatment options in neuropsychiatry on behalf of third-party sponsors. CCR provides select contract research organization services for pharmaceutical companies. CCR also hosts and sponsors investigator-initiated studies to answer research questions unaddressed by clinical trials and to validate psychedelic-assisted psychotherapy treatment protocols. Numinus has partnered with MAPS PBC for a Phase 2, single-arm, open-label compassionate access trial to study the safety and effectiveness of MDMA-assisted therapy for PTSD.

On September 20, 2023, Numinus announced that it was ceasing operating activities at Numinus Bioscience, its proprietary research business. Numinus is in the process of winding down Numinus Bioscience's operations. Numinus Bioscience will continue as a subsidiary and holding company, owning all intellectual property developed during its operations.

Canadian Clinic Network

The Canadian Clinic Network is operated by Numinus Health, NCT and Mindspace, as applicable. Numinus offers an integrated therapeutic model designed with the potential to create long-term relationships with individuals wanting physical, mental, and emotional health. Services at Canadian clinics comprise traditional mental health treatments (e.g., individual, group and couples therapy, trauma therapy, cognitive behaviour therapy), related services (e.g., coaching, psychological testing), neurological care, transcranial magnetic stimulation, patient education, and other wellness services (e.g., nutrition, mindfulness), in addition to KAT and PAT. Numinus also supports practitioners in delivering best-in-class treatments by offering centralized, Numinus-owned training, facilities and other operational resources for effective care delivery and healthcare impact.

KAT is a multidisciplinary program combining expertise in medicine and therapy. Ketamine is only prescribed after a medical evaluation and psychological preparation in conjunction with the treatment program. KAT is conducted at lower doses of ketamine than what is used in anaesthesia. In addition to its antidepressant effects, ketamine's ability to promote neural plasticity makes it a powerful tool to pair with psychotherapy with a view to making behavioral change. Ketamine may be administered in various forms (intramuscular, lozenge, intranasal), all of which are procured from a licensed pharmacy pursuant to a prescription from a licensed healthcare practitioner. It is Numinus' policy never to dictate or influence the professional judgement of our physicians, therapists, nurses, or other clinical staff. PAT similarly combines psychedelic medications with therapy.

Numinus Health operates the Drive, a wellness centre located in Vancouver, British Columbia, where registered professional therapists and health professionals use supportive therapies and technologies to focus on treating mental health and substance abuse, including KAT and PAT (the "**Wellness Centre**"). Numinus Vancouver has been an approved site for the SAP.

In Montreal, Numinus operates three locations that support clients through in-person and virtual services, including KAT and PAT in addition to traditional therapy. Numinus has also conducted clinical trials at its Montreal location, in addition to providing treatment under the SAP.

In Ontario, Numinus also operates a comprehensive clinical neurology treatment centre with a unique specialization in the application of psychedelics in the field of neurology. Currently, therapies for common neurological disorders such as concussion, migraine and cluster headache,

neuropathic pain syndromes and chronic epilepsy have limitations, especially when these disorders are associated with chronic psychological challenges. Numinus proposes to explore and develop applications of PAT to address both medical and psychological components of neurological diseases. Numinus Toronto location also offers KAT.

Numinus recently announced the launch of its Numinus Network Program with a view to expanding the Clinic Networks with lower capital investment and lower overhead compared to traditional corporate clinics. Under the Numinus Network, independent healthcare practitioners would own and operate a clinic under the Numinus Wellness brand through a licensing and services arrangement. Clinic investment costs and licensing fees will vary depending on the particular licensing arrangement, location, regional exclusivity terms and other business factors. Numinus will continue to evaluate corporately-owned clinic and "friendly PC" models for growth opportunities alongside the Numinus Network launch.

U.S. Clinic Network

On June 10, 2022, Numinus completed the acquisition of a 100% interest in Novamind, expanding its operations to the United States and increasing the number of services and treatments offered to Numinus' clients. In addition, the acquisition added clinical research facilities.

The U.S. Clinic Network is operated by Numinus Wellness UT Inc. in Utah and Foundations for Change Inc. in Arizona. Numinus operates seven clinics in the United States, located in Peoria and Phoenix, Arizona and in Draper, Layton, Murray, American Fork, and Springville, Utah.

Services provided in the United States include KAT, transcranial magnetic stimulation, and psychotherapy and counselling. In Arizona, Numinus practitioners have advanced training in child and adolescent psychiatry. Numinus' Utah clinics have secured approval for direct billing of intravenous (IV) ketamine for treatment-resistant depression from four major health insurance providers. Numinus also conducts investigator initiated research and provides site research services are also provided through the U.S. Clinic Network.

KAT and PAT in the United States follow the same general protocols as its Canadian clinical business described above, including medical assessment, psychological preparation, and prescription by licensed medical professionals. Although Utah and Arizona are not states with a corporate practice of medicine doctrine, Numinus does not dictate or influence the professional judgement of its practitioners in treatment decisions.

Principal Products or Services

Numinus Health's principal services are alternative medicine therapies offered at its treatment centres. Should psychedelic substances move to the mainstream and health professionals look to apply these substances in safe, controlled, therapeutic environments, Numinus Bioscience will have the opportunity to play an important role in the areas of psychedelic substance research, testing, and global distribution.

The following table shows the revenue for each key division for each of the two most recently completed financial years:

	Year ended August 31,	
	2023	2022
	\$	\$
Clinical Research	3,670,568	749,481
Canadian Clinic Network	3,252,701	2,703,121
U.S. Clinic Network	16,433,833	3,041,472
	23,357,102	6,494,074

Cannabis, Psilocybin, Mescaline, DMT, and Ayahuasca

Neither Health Canada nor the FDA have approved cannabis, Psilocybin, Mescaline, DMT, or Ayahuasca as a drug for any indication. However, there are legal routes through which these substances may be accessed for research and medical purposes.

As of September 2023, Numinus Bioscience has ceased all research and development activities. Cedar Clinical Research continues to offer CMO Services, including involving psychedelics substances.

Location and Storage

Numinus also operates Wellness Centres in Canada and the United States. The centers are all leased arms-length from third parties and are current and remain in good standing with the lessors. The following table summarizes Numinus' wellness center locations.

Location	Square Footage	Expiry
Montreal, QC Canada	1,345	2027-08-31
Montreal, QC Canada	1,380	2027-08-31
Montreal, QC Canada	683	2025-01-30
Vancouver, BC Canada	2,058	2029-03-31
Toronto, ON Canada	1,756	2025-01-31
Springville, Utah United States	3,600	2030-01-01
American Fork, Utah United States	3,000	2028-05-13
Layton, Utah United States	4,200	2025-08-31
Murray, Utah United States	4,169	2028-07-31
Draper, Utah United States	3,859	2031-03-03

Location	Square Footage	Expiry
Arrow, Arizona United States	1,678	2024-08-30
Dunlap, Arizona United States	5,334	2029-11-01

Numinus is in the process of negotiating the termination of leases in Park City, Utah. As part of its negotiations, Numinus ceased paying rent on the Utah property and it is in default of its lease in Park City. Negotiation are active and Numinus plans to commence paying the rent, if necessary. There are no operations at these locations.

Specialized Skill and Knowledge

Canadian Clinic Network and U.S. Clinic Network operations depend on the availability of physicians, nurse practitioners, therapists, and other healthcare professionals to provide services at its facilities. Such professionals also require specialized training and, in some cases, a DEA License. Please see "*Risk Factors - Reliance on Physicians and other Healthcare Professionals*".

CCR's research requires the availability of qualified medical staff to act as a "research principal" and qualified healthcare staff to administer the protocols under investigation and to gather and, where applicable, analyze relevant data. Numinus may conduct research through contract research organizations ("**CMO**"), including as subcontractors for its own CMO business.

Components

Ketamine and other approved prescription drugs used in the Canadian Clinic Network and U.S. Clinic Network are obtained through licensed pharmacies and suppliers. Numinus may also use psychedelic materials produced by Numinus Bioscience in connection with therapy delivered under research protocols or in connection with an exemption pursuant to section 56 of the CDSA and compassionate relief programs such as the SAP.

Intangible Properties

Numinus has developed proprietary processes, including its clinical protocols and techniques used within Numinus Bioscience. While exploring the patentability of these processes and techniques, Numinus relies on non-disclosure, confidentiality, and intellectual property assignment agreements for the protection of these assets.

Numinus owns or has applied for trademark protection with the USPTO for the wordmark NUMINUS and with the CIPO for the following marks: NUMINUS, PSYBINA, PSILOCYBE 10, PSILOCYBE 15, PSILOCYBE 25 and for its "N logo" appearing below:



In connection with its rebranding, Numinus is in the process of filing additional marks with the USPTO and CIPO.

Numinus is also the applicant for International (PCT) Patent Application No. PCT/CA2022/050950, more fully described under the heading "*Development of the Business – Three Year History*".

Market

Clinic Network Segments

Numinus' clinics in Canada and the USA offer a wide range of mental health services, including traditional therapy, KAP, transcranial magnetic stimulation, counseling, and other services. An estimated 52.9 million adults, or in one in five, suffer from a mental health illness in the U.S.², with the global cost to treat mental health illness anticipated to reach \$6 trillion by 2030.³

While ketamine is a controlled substance in Canada and the U.S., it is approved as an anesthetic under the *Food and Drugs Act* (Canada) and the U.S. *Food, Drug, and Cosmetic Act*. Once a drug is approved for use under these legislations, physicians may prescribe that drug "off-label" for uses that are not described in the product's monograph or that differ from those tested by the manufacturer and approved by Health Canada or the FDA, as applicable. Off-label treatments, KAP being an example, are a common practice among physicians. Additionally, KAP is gaining acceptance for treating depression both on an off-label basis and through the approval of esketamine (an isomer of ketamine) as a nasal spray for the treatment of major depression by the FDA in March 2020 and Health Canada in July 2020. See "*Risk Factors – Changes in Laws, Regulations and Guidelines*".

In addition to compliance with the CDSA and the U.S. federal *Controlled Substances Act* ("**CSA**"), Numinus operations complies with U.S. state controlled substances acts ("**State CSAs**"), which regulate the possession, use, sale, distribution, and manufacture of scheduled drugs which also form the basis of State and local enforcement. State CSAs have either adopted drug schedules identical or similar to the federal CSA or, in some instances, have incorporated the federal schedule by reference. Some states have also established a prescription drug monitoring or review program for the purposes of monitoring, analysis and education related to the prescription and dispensing of controlled substances. Numinus complies with all State CSAs in the jurisdictions where it operates. Further, Numinus facilities holding or administering controlled substances must be registered with the DEA to perform this activity. As such, medical professionals, and the clinics in the U.S. Clinic Network, as applicable, are also required to have a DEA license to obtain and administer ketamine and/or may be required to obtain a similar license under State laws to handle or dispense controlled substances (a "**DEA License**"). To Numinus' knowledge, the clinics in the U.S. Clinic Network and any required healthcare professionals hold all required DEA Licenses. Furthermore, the Numinus has put in place policies designed to adhere to DEA requirements.

² The Substance Abuse and Mental Health Administration

³ World Health Organization, September 2021

The State of Oregon legalized psychedelic mushrooms in November 2020 for therapeutic use supervised environments regulated by the Oregon Health Authority and other U.S. municipal jurisdictions have also effectively decriminalized, deprioritized or legalized the use of several psychedelic substances in recent years. However, such products continue to be illegal under the federal CSA. In Canada, the Province of Alberta amended the Mental Health Services Protection Regulation in January 2023 to implement a framework for regulating and licensing health care providers in connection with PAT (the "**Alberta Act**"). Although the Alberta Act specifically incorporates psilocybin, psilocin, MDMA, LSD, mescaline (peyote), DMT, 5 methoxy DMT and ketamine, only ketamine is legally available without an exemption from Health Canada. Numinus will not participate in these markets until and unless they are legalized at all levels of government or operations are conducted under a valid research license or other legal exemption. Numinus expects that additional legislation and/or ballot measures of a similar nature may be introduced in other jurisdictions in the coming years. We cannot comment on the regulatory framework in any such jurisdiction. Numinus will assess its options to conduct legal business in such jurisdictions as state or provincial, as applicable, and federal regulations are established.

The FDA granted 'breakthrough' status to MDMA for PTSD in 2017. MAPS Public Benefit Corporation ("**MAPS**") in conducting research into the use of MDMA-Assisted Therapy, a treatment protocol that pairs MDMA with talk therapy, as a treatment for PTSD ("**MDMA-AT**"). Representatives of MAPS have indicated they are hopeful that the FDA will approve MDMA-AT in 2024. There are other indications that approval may be pending, including publication of language for new current procedural termination (CPT) III codes for psychedelic-assisted therapies by the American Medical Association in July 2023 and release of a letter in May 2022 from the U.S. Department of Health and Human Services describing the FDA's "anticipated approval...within approximately 24 months" of psychedelic-assisted therapies. It is anticipated that, when and if MDMA is approved, it will be subject to a Risk Evaluation and Mitigation Strategy or REMS.

Statistics Canada's Survey on Mental Health and Stressful Events conducted in late 2021 indicated that 5% of people in Canada were diagnosed with PTSD and 8% met the criteria for probable PTSD based on symptoms they experienced in the month prior to the survey. The American Medical Association also estimates that 3.5 percent of U.S. adults suffer from PTSD every year and one in 11 people will be diagnosed with PTSD in their lifetime. This represents a significant market of 11.6 million and 1.9 million people suffering from PTSD in a given year in the USA and Canada, respectively. We cannot comment on the approval date, if at all, or the REMS that may be associated with the approval of MDMA as it has not been made public. Numinus will assess its options to conduct legal business at the time of approval and, if required, may seek any required additional staff, licenses, or approvals at that time.

Numinus offers training to practitioners in MDMA-AT. In connection with that training. In June 2023, Numinus submitted a clinical trial application ("**CTA**") to Health Canada to enable MDMA-AT experiential training for practitioners as part of an investigational Phase 1 clinical trial. If the CTA approved, Numinus intends to make the experiential training available to practitioners as part of its psychedelic-assisted therapy education and training program. MDMA-AT Training will leverage MAPS MDMA-AT protocol. We cannot provide assurance that the CTA will be approved or maintain approval or that that subjects and drug product will be available for the MDMA-AT experiential training offering.

Contract Research Organization (CRO) Service Market Segment

CCR provides clinical trial management services to third-party clients, including other psychedelics and biotech companies, as well as universities. These services include clinical trial participant recruitment, delivering the protocol and documenting the findings for clients, and are primarily completed at two research clinics located in Utah. There are more than 50 publicly traded companies related to the development or administration of psychedelic-like drugs in the U.S.⁴ (January 2022), and more than 136,000 registered studies occurring in the U.S. (December 8, 2022).⁵

Regulatory Compliance and Market Acceptance

Numinus is one of the few companies that has a controlled drug license that can assist companies focused on psychedelic therapies. This license is held by Numinus Bioscience, a holding company as of the date of this AIF. As per regulatory requirements for any regulated products in Canada it will need to go through proper testing to follow Health Canada regulations in Canada and FDA regulations in the United States.

Economic Dependence & Changes to Contracts

Numinus is not substantially dependent on any contract to sell the major part of its products or services or to purchase the major part of its required for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name. Nor does Numinus reasonably expect to be affected in the current financial year by renegotiation or termination of any contracts or sub-contracts.

Environmental Protections

Numinus business does not have any material impact on the environmental and it does not expect that there will be any financial or operational effects as a result of environmental protection requirements on its capital expenditures, profit or loss, or its competitive position in the current fiscal year or in future years.

Cycles

Medical and mental health treatments and patient services is neither cyclical nor seasonal. Rather, demand is based on medical need and this need is not a factor of season or markets. However, the business is subject to physician availability and the acceptance in the medical community of KAT and other psychedelic treatments as effective treatments for depression, PTSD, addiction, selected neurological conditions and other mental health conditions. Availability of insurance coverage for psychedelic treatments, combined with economic cycles may affect demand as many services are not covered under health insurance or government payor programs.

⁴ As of January 2022. <https://jamanetwork.com/journals/jamapsychiatry/article-abstract/2787968#:~:text=As%20of%20this%20writing%2C%20there,at%20more%20than%20%241%20billion>

⁵ <https://clinicaltrials.gov/ct2/resources/trends#RegisteredStudiesOverTime>

Competitive Conditions

Numinus has a limited number of competitors in the psychedelics industry. These competitors offer a similar category of services and products as Numinus, being psychedelic substance therapy delivery. See below a description of Numinus' main competitors.

Name	Product Offering	Market Capitalization
Awakn Life Sciences Corp. (NEO: AWKN)	Therapy delivery	Over \$10 million
Braxia Scientific Corp. (CSE: BRAX)	Therapy delivery	Over \$800,000
Irwin Naturals (CSE: IWIN)	Supplements; therapy delivery	Over \$4 million ⁽¹⁾

Notes:

(1) Represents subordinate voting shares only.

The majority of listed psychedelic companies are focused on drug development, a business line which Numinus has exited as of September 2023. These include Mind Medicine Inc. (NEO: MMED), Compass Pathways PLC (NASDAQ: CMPS), Atai Life Sciences N.V. (NASDAQ: ATAI) and Cybin Inc. (NEO: CBYN). Please see "*Risk Factors - Risks Related to the Psychedelics Industry - Fragmented Nature of Clinical Psychedelics*" and Please see "*Risk Factors - Risks Related to the Psychedelics Industry - Recent Failures and Exits from the Psychedelics Industries.*"

Employees

Numinus has approximately 200 employees as of the date of this AIF, who are responsible for assisting the management of Numinus and its day-to-day operations. Numinus relies heavily on its senior management team. Operations could be impacted if one or more members of those management teams were to depart unless Numinus has in place sufficient safeguards.

Foreign Operations

The U.S. Clinic Network segment is dependent upon foreign operations in the United States, specifically in the States of Utah and Arizona. 100% of that segment's revenues are derived from these locations, comprising approximately 70.4% of total consolidated revenues. Although Numinus operates in a heavily regulated environment in the United States, Numinus has no reason to believe that the demand for medical services will decline and security of its banking system is believed to be stable. Regulation of psychedelic substances in the United States is two-tiered, with regulation at both the State and Federal-levels. Numinus does not engage in business activities that are legal or decriminalized at the State-level but continue to be illegal at the federal-level ("**Quasi-legal Activities**"). The fact that competitors and other market participants engage in Quasi-legal Activities may have a negative effect on Numinus' operations. See "*Risk Factors – Risks Related to the Psychedelics Industry - Application of Financial Services Risk Management and Anti-Money Laundering Programs.*"

Lending

Numinus does not, and did not during the most recent three fiscal years, have lending operations.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF, and all other information contained in this AIF. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur, or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of Common Shares could be materially and adversely affected. See "Forward-Looking Statements".

Risks Related to the Psychedelics Industry

Fragmented Nature of Clinical Psychedelics

Numinus' business includes the Clinical Network segments. The market for ketamine assisted therapy and other PAT is fragmented, with a wide and diverse group of clinicians, treating disorders ranging from depression to PTSD to pain. Other than Spravato®, ketamine is administered off-label through a variety of means, including IV injection, infusion, and lozenge, in a variety of hospital and non-hospital settings. In addition to variability of guidelines and organizational oversight on a jurisdictional basis, patients may experience a vastly different standard of care between individual treatment sites. Many clinicians offer Quasi-legal Activities, offering treatments that are decriminalized or legalized at the state or municipal level. There is also a significant underground psychedelic community.

Lack of standards and regulation may affect Numinus in several ways. Adverse events such as medication errors, unsafe procedures, diagnostic errors, serious side-effects, effects resulting from unidentified contraindications, health care-associated infections, patient falls or accidents, bad trips causing psychological harm, lack of safety procedures or emergency medical intervention, increased risk of suicide, and other issues may cause harm or death. Any such event could have far-reaching effects on the public and regulatory view of PAT and affect Numinus' ability to grow revenues, acquire patients, attract medical staff and Numinus Network licensee, or affect the availability of treatments that Numinus offers today through increased regulation in response to such adverse events. Furthermore, public perception related to the power of illegal psychedelics may drive business towards Quasi-legal Activities, affecting Numinus' ability to compete. Such factors or other unanticipated events resulting from the fragmented nature of the clinical industry could require extensive changes to Numinus' operations, increased compliance costs or give rise to material liabilities or reduce Numinus' ability to compete, which could have a material adverse effect on the business, results of operations and financial condition of Numinus.

Recent Failures and Exits from the Psychedelics Industries

Many factors have caused contraction in the psychedelic clinical industry among larger multi-clinic operations, including lower than anticipated demand for treatment, slower than anticipated regulation of medications, the high cost of treatments coupled with lack of insurance coverage, lack of referrals from traditional medical practitioners, the impact of COVID-19 and the high cost of staffing and medical facilities to deliver quality PAT case, among other things. Combined with the high cost of being public company and reduced financing activities in the public market, there have been several failure or exits from the industry: Field Trip Health & Wellness Ltd. filed for creditor protection from under the Companies' Creditors Arrangement Act in March, 2023; Delic

Holdings Corp, owner and operator of Ketamine Wellness Centers, was placed in Receivership by Order of the Supreme Court of British Columbia in June 2023; Revitalist Lifestyle and Wellness Ltd. has been subject to a cease trade order since May 2023 for failure to comply with public reporting obligations; and Mind Cure Health Inc. shut down operations in March of 2022 citing an inability to raise capital. These high profile failures and exists from the psychedelic clinical industry may lower investor confidence, reducing liquidity and share price in the public market and making it difficult to raise funds for operations or expansion. While Numinus has made significant advances in terms of extending its cash runway through increasing revenues and reducing costs, and it has had modest success with its ATM, Numinus may require additional capital to continue and its auditors have raised a going concern in connection with its financials for the year-ended August 31, 2023. The effect of these recent failures and exists may have a material adverse effect on the business, results of operations and financial condition of Numinus, including its ability to continue as a public company or continue at all.

Psychedelic Regulatory Risk

Numinus' income is increasingly focused on revenue from psychedelic therapy products and treatments although the Clinic Networks provide other traditional medical, neurological, and mental health and wellness services. Psychedelic therapy is a new and emerging industry with evolving regulations and uncertainty as to future regulations. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities Numinus currently anticipates.

Further, success of the business strategy of Numinus depends in part on the legality of the use of psychedelics for the treatment of mental health conditions and the acceptance of such use in the medical community. The political environment surrounding the psychedelics industry in general can be volatile. As of the date of this prospectus, Canada and the United States permit the use of ketamine or a derivative thereof as a treatment for certain mental health conditions; however, the risk remains that a shift in the regulatory or political realm could occur and have a material impact on the Numinus' ability to successfully operate or grow its KAP business. There is no assurance Numinus will be able to derive meaningful revenue from its investment in psychedelic therapy development for ketamine or other substances, or to pursue that business to the extent currently proposed or at all. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities Numinus currently anticipates.

Numinus' integrative mental health approaches incorporating psychedelics (e.g., ketamine) establishes Numinus within a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The impact of the various legislative regimes on Numinus' business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating Numinus' business activities will create or allow for the growth opportunities that Numinus currently anticipates.

Achievement of Numinus' business objectives is subject to compliance with regulatory requirements enacted and enforced by governmental authorities and obtaining and maintaining all required regulatory approvals. Numinus may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting, license or approval requirements may result in enforcement actions thereunder, including orders issued by regulatory

or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Numinus' industry and market is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted. Numinus may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Numinus cannot predict the timeline required to secure all appropriate regulatory approvals or licenses for the intended business or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failing to obtain, required regulatory approvals or licenses may significantly delay or impact the research and development activities and could have a material adverse effect on the business, results of operations and financial condition of Numinus. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Numinus' operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Numinus.

The marketability of any product may also be affected by numerous factors that are beyond the control of the Numinus and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. The restrictions on promotion of medical services and restrictions on illegal substances in Canada and the United States may limit the ability to effectively advertise and promote Numinus' products and business. Changes in government levies, including taxes, could reduce the earnings and could make future capital investments or Numinus' operations uneconomic.

The impact of the various legislative regimes, on Numinus' business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating Numinus' business activities will create or allow for the growth opportunities Numinus currently anticipates.

Changes in Laws, Regulations and Guidelines Related to Psychedelics

Ketamine is the only drug approved by Health Canada and the FDA for use in PAT. Legal routes for accessing other psychedelic drugs are limited to exemptions from the CDSA under section 56 thereof or the SAP in Canada or to clinical trials approved by Health Canada or the FDA. If Psilocybin, MDMA and/or other psychedelic drugs were to be rescheduled to a federally controlled, yet legal, substance, Health Canada or the FDA, as applicable, would likely play an active regulatory role. Such regulatory bodies would continue to be active in regulating manufacturing, distribution and dispensing of such substances. Differing regulatory requirements at the state or provincial level could also create complex compliance requirements. Multi-agency regulation and enforcement could materially affect Numinus' costs associated with conducting research and/or therapeutic uses of these substances in its clinic business or in the production and sale of these substances under the Dealer's License.

Unfavorable Publicity or Consumer Perception

Numinus believes the psychedelic industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psychedelic medicines and therapies. Consumer perception may be significantly influenced by scientific research or findings, regulatory

investigations, litigation, media attention and other publicity regarding the consumption of psychedelic therapies.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the psychedelics market or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Numinus' proposed services and the business, results of operations, financial condition, and cash flows of Numinus. Numinus' dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether accurate or with merit, could have a material adverse effect on Numinus, the demand for Numinus' proposed services, and the business, results of operations, financial condition, and cash flows of Numinus. Further, adverse publicity reports or other media attention regarding the safety, efficacy, and quality of psychedelic therapies in general, or Numinus' proposed products and services specifically, or associating the consumption of psychedelic therapies with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Further, there has been a marked increase in the use of social media platforms and similar channels that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. Information posted about Numinus may be averse to Numinus' interests or may be inaccurate, each of which may harm Numinus' business, financial condition, and results of operations.

The Psychedelic Industry Faces Significant Opposition from Established Industry

It is believed by many that large well-funded businesses may have strong economic opposition to the psychedelics industry. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the psychedelics industry. Any inroads the pharmaceutical industry could make in halting or impeding the psychedelics industry could have a material adverse effect on Numinus.

Liabilities and Enforcement Complaints Related to the Psychedelic Industry

Numinus' participation in the psychedelic industry may lead to increased risk of litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities. Litigation, complaints, and enforcement actions could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on Numinus' future cash flows, earnings, results of operations and financial condition.

Industry and Market are Nascent

Numinus operates its business in a relatively new industry and market. There is no assurance Numinus will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed or at all. In addition to

being subject to general business risks, Numinus must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects Numinus' industry and market could have a material adverse effect on Numinus' business, financial conditions, and results of operations.

Application of Financial Services Risk Management and Anti-Money Laundering Programs

Financial services, insurance, and other regulated industries such as stock exchanges and clearing agencies are subject to various regulatory monitoring requirements under applicable laws, including those related to anti-money laundering and environmental, social, and governance. The psychedelics industry is subject to heightened scrutiny under these programs and it is more susceptible to regulatory changes or other changes in law or public sentiment as these affect risk tolerances under such compliance programs. Although Numinus carries out its business in compliance with the laws in each jurisdiction where it operates, risk tolerances and interpretation of regulatory requirements or elements of regulatory compliance programs administered by companies in such industries may be applied to limit Numinus' access to certain banking, insurance, or other regulated services, both at the application stage and through cancelling or demarketing Numinus' access to services. Such actions may reduce the available pool of service providers, resulting in higher costs or less favourable services, could cause us to incur legal and operational expenses to demonstrate compliance or respond to inquiries or demarketing actions, and divert management's attention from the operation of our business.

Business Risks

Negative Operating Cash Flow

Numinus has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that Numinus has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. Numinus will be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to Numinus as those previously obtained, or at all. Numinus' ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a downturn in the economy.

Risks Inherent in the Nature of the Clinic Industry

Changes in operating costs (including insurance), inability to obtain permits required to conduct Numinus' business, changes in health care laws and governmental regulations, and various other factors may significantly impact the ability of Numinus to continue to generate revenues. Certain significant expenditures, including legal fees, borrowing costs, maintenance costs, insurance costs and related charges, must be made to operate the Clinic Networks, regardless of revenue. Similar factors may affect its research division and the provision of contract research services.

General Healthcare Regulation Risks

Healthcare service providers in Canada and the United States are subject to various governmental regulation and licensing requirements and, as a result, Numinus' businesses operate in an environment in which government regulations and funding play a key role. Due to the breadth of these healthcare laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. Achieving and sustaining compliance with these laws may prove costly. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by regulatory authorities or the courts, and their provisions are sometimes complex and open to a variety of interpretations. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, or and exclusion from government insurance programs, any of which could adversely affect the reputation, operations, or financial performance of Numinus. Failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against Numinus for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert management's attention from the operation of our business and result in adverse publicity.

The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, the practice of healthcare services through a corporation, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, Numinus could incur significant costs while complying with any changes in the regulatory regime.

Furthermore, the Clinic Networks and the medical personnel working in them are subject to regulation by federal, state, provincial and other governmental authorities, including those related to the corporate practice of medicine and anti-kick back statutes. Numinus' business objectives are contingent, in part, upon its and its personnel's compliance with regulatory requirements enacted by such governmental authorities, and obtaining all regulatory approvals, where necessary, for the carrying on of business within the Clinic Networks. Any delays in obtaining, failure to obtain, or violations of regulatory approvals and requirements would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Numinus.

Additionally, laws relating to sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to Numinus' reputation. If any such actions are instituted against Numinus, and Numinus is not successful in defending itself or asserting its rights, those actions could have a substantial impact on Numinus' business and results of operations, including the imposition of substantial fines or other sanctions.

Risks Relating to the Licensing Process

Laws applicable to psychedelic drugs and compounds are constantly changing throughout the global psychedelic industry. The future business partnerships, contracting arrangements, and licensee agreements that Numinus may make may be subject to receiving regulatory certification or accreditation through Health Canada, the FDA or any other applicable regulatory authority or licensing body. Such licensing, certification or accreditation may include, but not be limited to: licenses issued under the CDSA, the CSA, State CSAs, the Narcotic Control Regulations under the CDSA, GMP certification and ISO certification. Licensing requirements are stringent and there can be no guarantee that the regulatory authorities will issue, extend, or renew any license.

Numinus believes that it currently holds or has applied for all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licenses and permits. In addition, Numinus will apply for, as the need arises, all necessary licenses and permits to carry on the activities it expects to conduct in the future. However, the ability of Numinus to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Any loss of any required license or permit, the failure of any governmental authority to issue or renew such licenses or permits upon acceptable terms, or any failure to comply with the requirements of a license or permit would have a material adverse impact on the business, financial condition, and operating results of Numinus and could lead to a significant decline in the value of its securities.

Numinus' ability to cultivate, import, export, extract, formulate and overall conduct research in psychedelic substances in Canada is dependent on its ability to obtain federal licenses from Health Canada. Licenses include a standard processor license, a sales license and an analytical testing license for cannabis and the Dealer's License. Licenses, once issued, are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition, and operating results of Numinus. There is also no assurance of new licenses or approvals from Health Canada. There can be no guarantee that Health Canada will issue a processing or a sales license or any other licenses to Numinus. Government licenses are currently, and in the future will be, required in connection with Numinus' operations, in addition to other unknown permits and approvals which may be required. To the extent such permits and approvals are required and not obtained, Numinus may be prevented from operating and/or expanding its business, which could have a material adverse effect on Numinus' business, financial condition, and results of operations.

Numinus cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of Numinus' markets and products and could have a material adverse effect on the business, results of operations and financial condition of Numinus.

Risks Related to Prescribing Medication

Provincial colleges and state medical boards or other regulatory bodies could take disciplinary action against Numinus' physicians for excessive psychedelic prescriptions. Physician prescription patterns may be tracked and may be used to impose disciplinary action on physicians who prescribe psychedelics at a high rate. If any of Numinus' physicians are deemed to be

prescribing psychedelics excessively, such physicians could face disciplinary action, including, revocation of the physician's license. Any disciplinary action or license revocation of physicians or affect the licensing of any professional corporation or similar vehicle which could result in the relevant clinic location either not having sufficient physicians to address patient needs or could result in the loss of approval for such professional corporation or similar vehicle and could adversely affect Numinus' business.

Risks Associated with Billing and Payment Noncompliance

In Canada, certain services are covered by provincial health care plans and, in the United States, certain services are covered by state and federal plans. Numerous regulations apply to claims for payment under these plans, including coordination among multiple payors and use of certain standardized transaction codes and formats. Insurance companies and other commercial payors typically have differing and complex billing and documentation requirements. If we fail to comply with these payer-specific requirements, we may not be paid for our services or payment may be substantially delayed or reduced. Both government and commercial payors carefully monitor compliance with these and other applicable rules. Failure to comply with these rules could result in an obligation to refund amounts previously paid for such services or non-payment for our services, in addition to other civil or criminal sanctions or loss of payor coverage, which could have an adverse effect on Numinus' future cash flows, earnings, results of operations and financial condition.

Violations of Laws and Regulations Could Result in Repercussions

Numinus' operations are conducted in strict compliance with the laws and regulations regarding its activities with controlled substances, including the CDSA and CSA. As such, all facilities engaged with such substances by or on behalf of Numinus do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, territorial, state, and local governmental agencies. While Numinus is focused on programs using psychedelics, specifically psilocybin, MDMA, and ketamine inspired compounds, Numinus does not have any direct or indirect involvement with the illegal selling, production, or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws and regulations in the jurisdictions in which it operates could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from criminal charges or civil proceedings initiated by either private citizens or government entities in the jurisdictions in which Numinus operates. Additionally, such findings of violations could render Numinus' revenues the proceeds of a crime, subject its funds to seizure by applicable law enforcement authorities and could result in Numinus not being able to obtain financial and other services. Any such violations could have an adverse effect on Numinus' business, operating results, and financial condition. Further, there is no guarantee that psychedelic drugs or psychedelic inspired drugs will ever be approved as medicines in any jurisdiction in which Numinus operates.

Client & Subject Acquisitions

Numinus' success will depend, in part, on its ability to attract and retain patients and research subjects for its research division. There are many factors which could impact Numinus' ability to attract and retain patients and subjects, including the successful implementation of Numinus' patient-acquisition plans, the continued growth in the aggregate number of patients selecting PAT as a treatment option and general acceptance of psychedelic within the community and public.

Further, physicians may not refer patients to Numinus for specialized PAT treatment. In addition, as the market grows, and general practitioners become more comfortable and knowledgeable about PAT, they may choose to write prescriptions directly for their own patients rather than refer them to an outside clinic. Numinus' failure to acquire and retain patients as clients, directly or through referrals, and/or individuals as research subjects would have a material adverse effect on Numinus' business, operating results, and financial condition.

Risks Associated with Marketing and Advertising

Numinus' future growth and profitability will depend in large part upon the effectiveness and efficiency of its marketing program, including our ability to raise awareness of our brand and PAT, identify the most effective and efficient level of spending in each market and media vehicle; determine the appropriate message; effectively manage marketing costs in order to maintain acceptable client acquisition costs; and select the right market, media and specific media vehicle in which to advertise. Our planned marketing expenditures may not result in increased revenues or generate sufficient levels of brand and program awareness and we may not be able to manage our marketing expenditures on a cost-effective basis such that the cost of client acquisition cost exceeds the contribution profit generated from each additional client, which could have an adverse effect on Numinus' future cash flows, earnings, results of operations and financial condition.

Furthermore, as a healthcare company, we are subject to federal, state, and provincial regulations regarding the advising of controlled substances and healthcare services. Additionally, certain media platforms have internal policies that restrict or dictate the content of Numinus' advertising as it relates to controlled substances, psychedelics drugs, and mental health conditions. The development of our business and operating results may be hindered by applicable restrictions on marketing activities imposed by regulatory bodies. Failure to comply with any existing or proposed laws or regulations related to advertising could result in audits, civil or regulatory proceedings, fines, penalties, or injunctions, recalls or seizures, and loss of access to any given media platform could reduce the efficacy, reach or cost-effectiveness of our marketing program, any of which could adversely affect the reputation, operations, or financial performance of Numinus.

Negative Results from Clinical Trials or Studies

From time to time, studies, or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors, or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect Numinus' clinical operations, research, share price and ability to finance future operations. Consumer perception of psychedelics may be also significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity.

Reliance on Physicians and other Healthcare Professionals

Numinus relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in Numinus' business until these services are replaced. As such, vacancies and disabilities relating to Numinus' current medical staff may cause interruptions in its business and result in lower

revenues. As Numinus expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect Numinus' ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Confidentiality of Personal and Personal Health Information

Numinus and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information and personal health information of clients and research subjects. Numinus may also obtain personal information or personal health information from third parties, which are subject to privacy and security requirements under applicable laws. Depending on the facts and circumstances, Numinus could be subject to significant civil, criminal, and administrative penalties if it obtains, uses, or discloses personal information or personal health information in a manner that is not authorized or permitted by such laws. Compliance with privacy and data protection laws and regulations could require Numinus to contractually restrict its ability to collect, use and disclose data, or in some cases, impact its ability to operate in certain jurisdictions.

There can be no assurance that Numinus' existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy was to have occurred as a result of Numinus' employees or arm's length third parties. Failure to comply with these laws and regulations could result in civil, criminal, and administrative penalties, private litigation, or adverse publicity and could negatively affect Numinus' operating results and business. Moreover, clinical trial subjects, employees and other individuals may limit our ability to collect, use and disclose information collected. Claims that Numinus has violated privacy rights, failed to comply with data protection laws, or otherwise breached obligations, could be expensive and time-consuming to defend and could result in adverse publicity that could harm Numinus' business. A significant privacy breach could adversely affect Numinus' reputation with its clients and consumers generally, adversely affect its ability to grow or sustain its business, and could have a material adverse effect on the results of operations and financial condition of Numinus.

Cyber-Attacks

Numinus' operations depend, in part, on how well it protects its information technology systems, networks, equipment and software from damages from a number of threats. Events such as cable cuts, power loss, hacking, computer viruses and theft could result in information system failures, delays and/or increase in capital expenses. While Numinus implements protective measures to reduce the risk of and detect cyber incidents, cyber-attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly. A successful cyber-attack could be expensive and time-consuming to remediate and could result in damage to reputation, loss of client confidence, fines, penalties, litigation, or other liabilities, and could have a material adverse effect on the results of operations and financial condition of Numinus.

Competitive Conditions

Competition in the psychedelics industry, some of which is may be large, well-established companies with substantial capabilities and significant financial and technical resources, Numinus

may be unable to compete successfully in the future. There can be no assurance that Numinus will be able to grow or sustain its business in the presence of these competitive conditions.

Risks Related to the Enforcement of Intellectual Property Rights

Numinus believes that its trademarks and other proprietary rights are important to its success and competitive position as the psychedelics industry grows and gain acceptance.

Failure to obtain or register trademarks used or proposed to be used in our business could require Numinus to rebrand, resulting in a material adverse impact on its business. If Numinus is unable to register or, if registered, maintain effective patent rights for its proprietary products, Numinus may not be able to effectively compete in the market. If Numinus is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against Numinus. Numinus may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming.

Actions taken to establish and protect our intellectual may prove to be inadequate to prevent imitation of our marks, products, or services or to prevent others from claiming violations of their trademarks and proprietary rights by Numinus. In addition, others may develop similar trademarks or other intellectual property independently or assert rights in our trademarks and other proprietary rights. If so, third parties may seek to block or limit sales of our products and services based on allegations that use of some of our marks or other intellectual property constitutes a violation of their intellectual property rights. If Numinus cannot protect its trademarks and other intellectual property rights, or if such trademarks or other intellectual property rights infringe the rights of third parties, the value of our brand may decline and service offering, which may adversely affect the business, financial condition, and results of operations.

Economic and Political Instability

The global economic environment has created market uncertainty and volatility in recent years. Recently, failures of Silvergate Bank, Silicon Valley Bank, Signature Bank and Credit Suisse have resulted in a negative trend with regard to the market for various products and services as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Numinus' growth and profitability. Future economic shocks may be precipitated by a number of causes, including instability in the middle east (including the conflict between Israel and Hamas), the ongoing war in Ukraine, political and civil unrest in United States, a continued rise in the price of oil and other commodities, geopolitical instability, terrorism, the devaluation and volatility of global stock markets, natural disasters, terrorist events and wars. Any sudden or rapid destabilization of global economic conditions could impact Numinus' ability to obtain equity or debt financing in the future on terms favorable to Numinus or at all. In such an event, Numinus' operations and financial condition could be adversely impacted. There are no assurances with respect to the relative strength and stability of future markets. Although Numinus remains financially strong, its liquidity and long-term ability to raise the capital required to execute its business plans may be affected by market volatilities.

Managing Growth

In order to manage growth and change in strategy effectively, Numinus must: (a) maintain adequate systems to meet future customer demands; (b) expand sales and marketing, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Numinus expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Retention and Acquisition of Skilled Personnel

The loss of any member of Numinus' team, or of its key individuals or qualified person in charge, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on Numinus' business and operating results. At present and for the near future, Numinus will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require Numinus to find, hire and retain additional capable employees who can understand, explain, market, and sell its products. There is intense competition for capable personnel in all of these areas and Numinus may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, Numinus may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, if and when Numinus moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Key Personnel

Numinus has a small management team and the loss of any key individual could affect Numinus' business. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of Numinus.

Legal Proceedings

From time to time, Numinus may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. Numinus will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on Numinus' financial results.

Risks Associated with Liability and Insurance Coverage

Our business entails the risk of medical liability claims in connection with the U.S. and Canadian clinics and risk of negligence or product liability claims in connection with its research business. Although healthcare professionals carry insurance covering medical malpractice claims and clinical trials are insured through clinical trial insurance or through individual clinical research insurance in amounts that we believe are appropriate in light of the risks attendant to our business, successful claims could result in substantial damage awards that exceed the limits of insurance coverage.

Professional liability insurance is expensive, especially in light of Numinus involvement in the nascent psychedelics industry, and insurance premiums may increase significantly in the future, particularly as we expand services and jurisdictions of operations. As a result, adequate professional liability insurance may not be available to our practitioners or to us in the future at acceptable costs or at all. Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of management and practitioners from our operations, which could harm our business or reputation.

In addition, our business exposes us to risks that are inherent in the provision of health care. Numinus policy is not to influence or direct the treatment decisions of its healthcare professionals. While we seek to attract high quality professionals, the risk of liability, including through unexpected medical outcomes, is inherent in the healthcare industry. If clients or partners assert liability claims against us, any ensuing litigation, regardless of outcome, could result in a substantial cost to us, divert management's attention from operations, and decrease market acceptance of our products and services.

Numinus also maintains general liability coverage for certain risks, claims and proceedings. However, this coverage may not continue to be available on acceptable terms, may not be available in sufficient amounts to cover one or more large claims against us, and may include self-insured retentions or exclusions. In addition, the insurer might disclaim coverage as to any future claim. Any liability claim brought against Numinus, with or without merit, could also result in an increase of our insurance premiums, and insurance coverage would also not address any reputational damage from a claim. Further, even unsuccessful claims could result in substantial costs and diversion of management resources. A successful claim not fully covered by our insurance could have a negative impact on our liquidity, financial condition, and results of operations.

Insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which Numinus is exposed. Moreover, there can be no guarantee that Numinus will be able to obtain adequate insurance coverage in the future or obtain or maintain liability insurance on acceptable terms or with adequate coverage against all potential liabilities.

Labour and Distributor/Supply Chain Interruption

Numinus is susceptible to risks relating to distributor and supply chain interruptions. Although ketamine is generally available, there is a single supplier for the nasal form Spravato® and limited licensed suppliers for other controlled substances which may be made available under SAP or pursuant to an exemption pursuant to section 56 of the CDSA. Supply chain interruptions could

impact product quality and availability and there is a potential for shortages if demand and supply are materially different from our suppliers long-term forecasts or if global demand increases.

Medical services delivered by Numinus in Canada are largely accomplished through third-party medical professional corporations and/or through independent contractors or locums, therefore, an interruption (e.g., a labour strike, shortage in medical professionals generally) for any length of time affecting such medical professional corporations and/or independent contractors may have a significant impact on Numinus' ability to sell its services.

Product Recalls

Manufacturers, producers, and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. Although Numinus' suppliers have detailed procedures in place for testing its products, there can be no assurance that any quality, potency, or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action, or lawsuits. Acceptance of psychedelic medications is still limited and a recall of any psychedelic medication or substances could lead to decreased demand for Numinus' products and could have a material adverse effect on the results of operations and financial condition of Numinus. Additionally, product recalls may lead to increased scrutiny of Numinus' operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Risks Regarding Foreign Operations

The U.S. Clinic Network operates in Utah and Arizona and may, in future expand to other U.S. jurisdictions. As a result, there is a risk that regulatory changes as well as economic or political uncertainty could require that Numinus re-evaluate its business prospects and could negatively impact upon its ability to conduct its research initiatives and have significant impact on Numinus including diminished profits and future earnings, and curtailment of Numinus' operations.

Potential Conflicts of Interest

Numinus' directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which Numinus may participate, the directors of Numinus may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of Numinus' directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the Business Corporations Act (British Columbia). In accordance with the laws of British Columbia, the directors of Numinus are required to act honestly, in good faith and in the best interests of Numinus.

Fraudulent or Illegal Activities by Employees, Contractors, and Consultants

Numinus is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud

and abuse laws and regulations; or (iv) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for us to identify and deter misconduct by Numinus' employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Numinus, and it is not successful in defending itself or asserting its rights, those actions could result in the imposition of civil, criminal, and administrative penalties, damages, monetary fines, or contractual damages on Numinus, reputational harm, diminished profits and future earnings, and curtailment of Numinus' operations.

Challenges in Quantifying Psychedelics and Integrative Mental Health Industries

Because the psychedelics and integrative mental health industries are in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in Numinus and, few, if any, established companies whose business model Numinus can follow or upon whose success Numinus can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in Numinus. There can be no assurance that Numinus' estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. Numinus regularly follows market research.

Public Health Crisis

COVID-19 was a global pandemic that severely restricted the level of economic activity, having an unprecedented effect on business operations. In response to the pandemic, the governments of many countries, states, cities, and other geographic regions implemented containment measures. More than 698 million people were infected by COVID-19 and almost 7 million people died worldwide. In addition to those who have been directly affected, millions more were affected by government and voluntary efforts around the world to slow the spread of the pandemic through quarantines, travel restrictions, business shut-downs, heightened border security and other measures. Although COVID-19 is no longer classified as a pandemic by the WHO, it remains a public health concern with possible future infection by variants or possible future outbreaks. Another regional epidemic or global pandemic, whether a known virus, COVID, or another unknown virus or other infection, is possible. Elective health care, such as that offered by Numinus, may be affected by these efforts whether through shut downs, inability to find staff, patient concern about infection, supply chain issues and other risks associated with a future epidemic or pandemic. How a future epidemic or pandemic might impact our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted. Please see "Impact of COVID-19".

Limited Operating History

Numinus has a limited operating history in its industry upon which its business and future prospects may be evaluated. Numinus will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals, under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that Numinus will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

In order for Numinus to meet future operating and debt service requirements, Numinus will need to be successful in its growing, marketing and sales efforts. Additionally, where Numinus experiences increased production and future sales, Numinus' current operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand and achieve long-term profitability. If Numinus' products and services are not accepted by new customers, its operating results may be materially and adversely affected.

Acquisitions & Collaborations

Numinus has in the past and may in the future seek to expand its business by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting management's attention away from other business concerns; entering markets in which we have limited or no direct experience; and potential loss of our key employees or key employees of the acquired companies or businesses. Numinus cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. We may incorrectly judge the value or worth of an acquired company or business. In addition, our future success depends in part on our ability to manage the rapid growth associated with some of these acquisitions and collaborations. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of our business may require a substantial capital investment by Numinus.

Financial and Accounting Risks

Our auditor has expressed substantial doubt about our ability to continue as a going concern

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we have the requisite capital to continue our business as a going concern. We will need to raise additional working capital to continue our normal and planned operations. We will also need to generate and sustain higher revenue levels in future periods in order to become profitable. In addition, as a public company, we will incur significant accounting, legal and other expenses in the normal course that our private competitors are not subject to.

We may not be able to generate profitable operations in the future and/or obtain the necessary financing to meet our obligations and pay liabilities arising from normal business operations when they come due. We plan to continue to provide for our capital needs through sales of our securities and/or other strategic approaches to unlocking value, but we cannot provide assurance that these approaches will be successful.

Our efforts to grow our business or implement any strategic approach to unlocking value may take longer and/or be costlier than we expect, and we may not be able to generate sufficient revenue to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, regulatory change in the psychedelic industry and other unknown events. Accordingly, we cannot assure you that we will fund operations until Numinus is profitable or achieve sustainable

operating profits as we continue to expand our business, and otherwise implement our growth or other strategic initiatives.

The outcome of the foregoing matters cannot be predicted with any certainty at this time, and raise substantial doubt that we will be able to continue as a going concern. As a result, there is increased risk that you could lose the entire amount of your investment in Numinus. Our financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

Reliance on Forward-Looking Statements

Potential investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Please see "Future Oriented and Forward Looking Information".

Failure to Achieve Stated Goals or Execute Strategies

From time to time, Numinus may announce the timing of certain events it expects to occur or possible outcomes of its business strategy. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond Numinus' control, having the effect of delaying the publicly announced timeline. Numinus undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of its securities.

Access to Capital

In executing its business plan, Numinus makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Numinus has financed these expenditures through offerings of its equity securities and debt financing. Numinus will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Numinus may incur major unanticipated liabilities or expenses. It can provide no assurance that it will be able to obtain financing to meet its growth needs.

It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of Numinus' corporate goals, the results of its operations, the ability to obtain future regulatory approvals, where applicable, and the state of the capital markets generally and with particular reference to psychedelics companies. If adequate funding is not available, Numinus may be required to delay, reduce, or eliminate certain operations, or obtain funds on less favourable terms than Numinus would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, Numinus' assets and its ability to carry out its business

plans may be impaired, and Numinus' assets, liabilities, business, financial condition, and results of operations may be materially or adversely affected.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Numinus bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to its financial statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Numinus' operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Numinus' operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of Numinus. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

Inadequate Internal Controls

In connection with its financial statements for the year ended August 31, 2022, Numinus' auditors identified two material weaknesses in its internal controls and, in connection with the Financial Statements financials, management identified a systems-related deficiency requiring manual adjustment, in each case these are more fully-described in the management's discussion and analysis for the relevant periods available on SEDAR+ at www.sedarplus.ca. If Numinus fails to maintain an effective system of internal controls, Numinus might not be able to report its financial results accurately or prevent misstatement; and in that case, Numinus' shareholders could lose confidence in its financial reporting, which would harm its business and could negatively impact the value of the Common Shares. While Numinus believes that it has sufficient personnel and review procedures to allow it to maintain an effective system of internal controls, there can be no assurance that Numinus will always successfully detect misstatements or implement necessary improvements in a timely fashion.

No History of Payment of Cash Dividends

Numinus has never declared or paid cash dividends on the Common Shares. Numinus intends to retain future earnings to finance the operation, development, and expansion of the business. Numinus does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the board of directors of Numinus (the "**Board of Directors**") and will depend on Numinus' financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board of Directors considers relevant.

Reporting Issuer Status

As a reporting issuer, Numinus is subject to reporting requirements under applicable Securities Laws and stock exchange policies. Compliance with these requirements increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. In order to maintain and, if required,

improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm Numinus' business and results of operations. Numinus may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses and affect its profitability and financial results.

Increased Regulatory and Compliance Costs

Legal, accounting, and other expenses associated with public company reporting requirements are generally increasing annually. Numinus anticipates that costs may continue to increase with corporate governance related requirements. Numinus also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for Numinus to attract and retain qualified individuals to serve on the Board of Directors or as executive officers.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about Numinus or its business. Numinus may not be able to obtain research coverage. If coverage is obtained, Numinus will not have any control over these analysts. If one or more of the analysts who covers Numinus should downgrade the Common Shares or change their opinion of Numinus' business prospects, the share price of Numinus would likely decline. If one or more of these analysts ceases coverage of Numinus or fails to regularly publish reports on Numinus, Numinus could lose visibility in the financial markets, which could cause the share price or trading volume to decline.

Potential Undisclosed Liabilities and Internal Control Risks Associated with Acquisitions

The RTO and Numinus' acquisitions of Mindspace, NCT and Novamind require the combination of multiple systems and sets of books and records. Each of these entities continues to have the liabilities that existed prior to completion of the transactions. There may be liabilities that Numinus failed to discover or was unable to accurately assess or quantify in its due diligence. Furthermore, the combination of multiple systems and sets of books and records may result in material weaknesses in internal controls or in disclosure controls and procedures.

Tax Uncertainty

Tax rates and methods of calculating tax in jurisdictions related to Numinus' business may be subject to changes. Numinus' interpretation of taxation law where it operates and as applied to its transactions and activities may be different than that of applicable tax authorities. As a result, tax treatment of certain operation, action or transactions may be challenged and reassessed by applicable tax authorities, which could result in adverse tax consequences for Numinus, including additional taxes, penalties, interest and may also adversely affect Numinus' ability to repatriate earnings and otherwise deploy its assets.

Interest Rate & Credit Risk

Financial instruments that potentially subject Numinus to cash flow interest rate risk are those assets and liabilities with a variable interest rate. Currently, Numinus has no assets or liabilities with a variable interest rate. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. Numinus is also exposed to credit risk on its cash and account receivables.

Risks Relating to Numinus' Securities

Risks Associated with Numinus' At-the-Market Offering

Numinus announced an ATM Offering on September 25, 2023. In an ATM, Numinus may sell newly issued shares into the secondary trading market on the TSX through a designated investment dealer at prevailing market prices. The ATM Offering allows Numinus to opportunistically take advantage of demand for its Common Shares or increases in the share price on the open market. However, there are risks associated with this type of financing.

The nature of at-the-money offerings creates uncertainty around the amount that Numinus can raise and the share price at which the funds are raised, which is heightened by Numinus' average trading volume. Sales of a substantial number of Common Shares in the public markets, or the perception that such sales could occur, could depress the market price of our Common Shares and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our Common Shares would have on the market price of our Common Shares.

There is no assurance that Numinus will be able to raise funds through the ATM. The price per Common Share sold in the ATM Offering may exceed the net tangible book value per Common Share. Further, the price per Common Share at which we sell additional Common Shares in future transactions may be higher or lower than the price per Common Share paid by investors in earlier rounds of purchases under the ATM.

Management has discretion in how to use the proceeds of the ATM. Our management may spend a portion or all of the net proceeds from the ATM Offering in ways that our shareholders might not desire, that might not yield a favorable return and that might not increase the value of a purchaser's investment. The failure by our management to apply these funds effectively could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Speculative Investment Risk

An investment in the securities of Numinus carries a high degree of risk and should be considered as a speculative investment. Numinus has no history of earnings, limited cash reserves, limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Unpredictability and Volatility of the Common Shares

The securities market in general and securities of psychedelics companies in particular have experienced a high level of price and volume volatility, and the market prices of securities of many

companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The value of Common Shares will be affected by such volatility.

Market price fluctuations in the Common Shares may be adversely affected by a variety of factors relating to Numinus' business, including: fluctuations in Numinus' operating and financial results or such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysts' estimates in connection therewith; sales of additional Common Shares; the trading volume of our Common Shares; negative publicity associated with our products or services; involvement in litigation, including medical malpractice claims and class action claims; changes in senior management or key personnel; developments or disputes concerning our intellectual property or other proprietary rights; changes in accounting standards, policies, guidelines, interpretations or principles; changes in the anticipated future size and growth rate of our market; governmental regulatory action effecting our business; announcements by us or our competitors of significant business or industry developments; general economic, regulatory, and market conditions, including economic recessions or slowdowns; adverse change in general market conditions or economic trends and with a variety of additional factors.

The volatility of the Common Shares may affect the ability of holders to sell them at an advantageous price or at all. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to Numinus' performance.

Liquidity of the Common Shares

The price at which the Common Shares will be traded, and the price at which investors may purchase and sell them, will be influenced by a large number of factors, some specific to Numinus and its proposed operations, some which may affect the sectors in which Numinus operates and some effecting the market generally. Such factors could include the large purchases or sales of the Common Shares, liquidity, or the absence of liquidity in the Common Shares, and general market and economic conditions.

Substantial Number of Authorized but Unissued Shares

Numinus has an unlimited number of Common Shares that may be issued by the Board of Directors without further action or approval of Numinus' shareholders. While the Board of Directors is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Numinus' shareholders.

Potential Dilution to Fund Operations

In order to finance future operations, Numinus may raise funds through the issue of Common Shares or the issue of securities convertible into or exercisable for Common Shares. Numinus cannot predict the size of future issues of Common Shares or the issue of securities convertible into or exercisable for Common Shares or the effect, if any, that future issues and sales of the Common Shares will have on the market price of the Common Shares. Any transaction involving the issue of previously unissued Common Shares, or securities convertible into or exercisable for Common Shares, would result in dilution, which may be substantial, to existing holders of Common Shares.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair Numinus' ability to raise capital through future sales of Common Shares.

Decrease in Value of Common Shares Due to Dilution

Numinus may sell equity securities in offerings and may issue additional equity securities to finance operations. Numinus cannot predict the size of future issuances of equity securities or other securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to shareholders. Exercises of presently outstanding Options may also result in dilution to shareholders. The Board of Directors of Numinus has the authority to authorize certain offers and sales of the securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that Numinus will issue the securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Common Shares at prices less than the current market price.

Sales of substantial amounts of the securities, or the availability of the securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors' earnings per Common Share. A decline in the market prices of the securities could impair Numinus' ability to raise additional capital through the sale of additional securities should Numinus desire to do so.

General

Although management believes that the above risks fairly capture the material risks facing Numinus, the risks noted above do not necessarily comprise all those potentially faced by Numinus as it is impossible to foresee all possible risks. Although the Board of Directors will seek to minimize the impact of the risk factors, an investment in Numinus should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

DIVIDENDS AND DISTRIBUTIONS

Numinus has not declared or paid dividends since incorporation and has no present intention to declare or pay any dividends in the foreseeable future. Dividends paid by Numinus would be subject to tax and, potentially, withholdings. Any decision to declare or pay dividends will be made by the Board of Directors based upon Numinus' earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

As at the date hereof, Numinus' authorized capital consists of an unlimited number of Common Shares of which 267,083,600 Common Shares are issued and outstanding.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to receive notice of and attend all meetings of shareholders, to one vote per Common Share at such meeting and, upon liquidation, to rateably receive such assets as are distributable to the holders of the Common Shares. There are no conversion or exchange rights attaching to Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital. All Common Shares outstanding are fully paid and non-assessable.

Warrants

As at the date hereof, Numinus has 11,340,000 Warrants outstanding, which are not listed.

Options and Restricted Share Units (RSUs)

As at the date hereof, Numinus has 14,505,682 Options and 305,378 RSUs outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSX under the trading symbol "NUMI". The following tables set forth information relating to the trading of the Common Shares for the dates indicated.

Price Range			
TSX – September 1, 2022 to August 31, 2023			
Month	High \$	Low \$	Total Volume
August 2023	0.22	0.17	3,938,146
July 2023	0.265	0.21	5,036,549
June 2023	0.26	0.195	8,424,292
May 2023	0.275	0.15	10,340,447
April 2023	0.23	0.16	5,726,576
March 2023	0.22	0.175	3,922,203
February 2023	0.285	0.215	3,762,150
January 2023	0.31	0.19	6,668,255
December 2022	0.25	0.165	6,617,038
November 2022	0.275	0.24	6,230,122
October 2022	0.295	0.25	4,371,481
September 2022	0.41	0.24	12,649,035

Prior Sales

Within the most recently completed financial year and subsequent thereto, Numinus issued the following securities:

<u>Date of Issue</u>	<u>Nature of Issue</u>	<u>Number of Common Shares</u>	<u>Issue Price</u> <u>(\$)</u>
07-Sep-22	Option Exercise	287,504	0.25
07-Sep-22	Warrant Exercise	447,200	0.35
07-Sep-22	Warrant Exercise	586,800	0.35
08-Sep-22	Warrant Exercise	24,110	0.35
09-Sep-22	Warrant Exercise	156,092	0.35
09-Sep-22	Warrant Exercise	9,126	0.35
09-Sep-22	Warrant Exercise	3,000	0.35
09-Sep-22	Warrant Exercise	1,185,446	0.35
12-Sep-22	RSU Shares	1,141,032	0.3
30-Sep-22	RSU Shares	116,999	0.32
08-Nov-22	SPA Issuances	55,147	1.51
18-Nov-22	RSU Shares	2,500,000	0.23
17-Jan-23	RSU Shares	370,380	0.27
23-Jan-23	Compensation Shares ⁽¹⁾	500,000	0.29
08-Feb-23	SPA Issuances	425,972	0.43
22-Feb-23	Compensation Shares ⁽¹⁾	500,000	0.24
20-Apr-23	SPA Issuances	635,534	0.27
11-May-23	Compensation Shares ⁽¹⁾	500,000	0.17
08-Jun-23	Compensation Shares ⁽¹⁾	500,000	0.22
04-Jul-23	RSU Shares	253,378	0.25
08-Aug-23	RSU Shares	20,000	0.23
13-Nov-23	ATM Offering	50,000	0.125
16-Nov-23	ATM Offering	53,500	0.125
13-Nov-23	ATM Offering	63,388	0.1207

Notes:

(1) Issued as milestone payments in connection with Numinus' acquisition of Mindspace.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

None of the securities of Numinus are subject to escrow restrictions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out, as at the date hereof, for each of the directors and executive officers of Numinus, the person's name, province and country of residence, their respective positions and offices held, the date on which the person became a director, his or her principal occupation and previously held positions for the last five years, and the number and percentage of Common Shares beneficially owned, controlled or directed, directly or indirectly. Our directors are expected to hold office until our next annual meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Name, Municipality of Residence and Present Office Held	Current Principal Occupation	Period(s) during which each director or Officer has served as a director or officer	Number and Percent of Issued Shares Held Directly or Indirectly as at the Date of this AIF ⁽⁶⁾	
Payton Nyquvest <i>Director, President, Chief Executive Officer</i> North Vancouver, BC	President and Chief Executive Officer	Since May 15, 2020	8,416,148 ⁽⁶⁾	3.15%
Nikhil Handa <i>Chief Financial Officer and Corporate Secretary</i> Toronto, ON, Canada	Chief Financial Officer and Corporate Secretary	Since June 14, 2023	Nil ⁽⁷⁾	0.00%
Edwin Garner ⁽¹⁾⁽³⁾ <i>Director</i> Nanaimo, BC, Canada	Chair of the Commercial Division, Vancouver Island Real Estate Board and licensed commercial real estate broker	Since May 15, 2020	300,224 ⁽⁸⁾	0.11%
Michael Tan <i>Director, President and Chief Operating Officer</i> Nanaimo, BC, Canada	Chief Operating Officer	Since May 15, 2020	2,432,508 ⁽⁹⁾	0.91%
Larry Timlick ⁽¹⁾⁽²⁾⁽³⁾ <i>Director</i> West Vancouver, BC, Canada	President, Triplet Management	Since January 28, 2019	373,458 ⁽¹⁰⁾	0.14%
Allen Morishita ⁽¹⁾⁽³⁾⁽⁴⁾ <i>Director</i> North Vancouver, BC, Canada	President of Kyly Investment Corp. and Secretary/Treasurer of Morquest Trading Corporation	Since March 9, 2012	1,293,218 ⁽¹¹⁾	0.48%
Reid Robison Chief Clinical Officer Salt Lake, UT, USA	Chief Clinical Officer of Numinus	Since June 10, 2022	1,084,650 ⁽¹²⁾	0.41%
Paul Thielking Chief Science Officer Salt Lake, UT, USA	Chief Science Officer of Numinus	Since June 10, 2022	29,691 ⁽¹³⁾	0.01%

Name, Municipality of Residence and Present Office Held	Current Principal Occupation	Period(s) during which each director or Officer has served as a director or officer	Number and Percent of Issued Shares Held Directly or Indirectly as at the Date of this AIF ⁽⁶⁾	
Jason Lapensee Senior Vice President, Clinic Operations Burlington, ON, Canada	Senior Vice President, Clinic Operations	Since May 10, 2021	10,000 ⁽¹⁴⁾	< 0.01%
Evan Lewis Vice President, Psychedelic Neurology Toronto, ON, Canada	Vice President, Psychedelic Neurology	Since July 15, 2021	1,552,379 ⁽¹⁵⁾	0.58%
Lea Bottoni Vice President, People & Culture Kingston, ON, Canada	Vice President, People & Culture	Since June 28, 2021	Nil ⁽¹⁶⁾	0.00%
Sharan Sidhu Vice President, Scientific Research, Innovation and Laboratory Operations Nanaimo, BC, Canada	Vice President, Scientific Research, Innovation and Laboratory Operations	Since August 10, 2020	Nil ⁽¹⁷⁾	0.00%
TOTAL			15,492,276	5.79%

Notes:

- (1) Audit Committee Member.
- (2) Audit Committee Chair.
- (3) Compensation Committee member.
- (4) Compensation Committee Chair.
- (5) Based on 267,083,600 Common Shares issued and outstanding as of the date of this AIF.
- (6) In addition, Mr. Nyquvest holds 1,200,000 Options
- (7) Mr. Handa holds 1,000,000 Options.
- (8) In addition, Mr. Garner holds 135,000 Options.
- (9) In addition, Mr. Tan holds 900,000 Options.
- (10) In addition, Mr. Timlick holds 405,000 Options.
- (11) In addition, Mr. Morishita holds 405,000 Options.
- (12) Mr. Robinson holds 303,947 Options.
- (13) Mr. Thielking holds 384,000 Options.
- (14) Mr. Lapensee holds 300,000 Options.
- (15) Mr. Lewis holds 150,000 Options.
- (16) Ms. Bottoni holds 300,000 Options.

Biographies*Payton Nyquvest, Director, President and Chief Executive Officer*

Former Director, VP and Head of Sales at Mackie Research Capital Corporation (formerly Jordan Capital Markets), one of Canada's largest independent brokerage firms with a focus on public health and human advancement. 15 years' experience in investment banking, has raised over \$100 million for 100+ public and private companies. Former investment advisor with Mackie Research Capital Corporation, Canaccord Genuity Corp.

Michael Tan, MBA, Chief Operating Officer

Mr. Tan was the first Executive Director of the BC Liquor Distribution Branch's Cannabis Division. He successfully launched cannabis operations in British Columbia and has 20 years of experience in strategic planning and execution for national and multinational corporations. Mr. Tan is a high

impact marketing and operations executive with a track record of driving revenue growth. His experience includes start-up business and enterprise leadership, organizational restructuring, and customer-centric business modelling.

Nikhil Handa, Chief Financial Officer, and Corporate Secretary

Mr. Handa joined Numinus in 2023 and has a proven background in driving financial and operational results, as well as a wealth of corporate development and capital markets experience. Most recently, he was CFO at The Supreme Cannabis Company, Inc. ("**Supreme**") (previously TSX:FIRE), where he led finance, investor relations and corporate development. At Supreme, Mr. Handa led the restructuring of the company to focus on profitable growth, and was responsible for executing the sale of Supreme to Canopy Growth Corporation. Prior to this, he led finance at Well.ca, a leading digital health and wellness company. In that role he led the finance function, provided leadership across various aspects of operations, and drove key strategic initiatives including the sale of Well.ca to McKesson Canada. Over the course of his career, Mr. Handa also held a variety of senior finance and operational roles at Restaurant Brands International. Mr. Handa was part of the mergers and acquisition group of RBC Capital Markets, where he helped advise the management teams and board of directors of private and public companies on various types of transactions across Canada, the U.S., and globally.

Edwin Garner, Director

Mr. Garner is the current Chair of the Commercial Division, Vancouver Island Real Estate Board. He is a licensed commercial real estate broker and the current Deputy Commissioner with the Athletic Commissioners Office of BC. Mr. Garner is a former President of the hospitality industry liquor licensing enforcement advisory committee. He has extensive experience in USA securities Series 7, Series 24 (Former Operations Manager), and Series 27 (Financial Principal).

Larry Timlick, Director

Mr. Timlick has been in the technology space for over 30 years and has had senior management sales positions with AT&T, Cisco, Arista, and Avaya. He has been consulting in the cannabis/hemp market for the last 30 months to a number of start-up companies in Canada, USA and Colombia to help build out their business models and find capital to develop their businesses. Mr. Timlick was an early advisor/former director of NextLeaf Solutions (CSE-OILS). He is also an advisor and board member of Turtle Island Corporation, a holding company formed to capitalize on the growing legal cannabis markets and to create shared economic development for First Nations across a global network with planned operations in Canada, Colombia, and Malta. Mr. Timlick has a full understanding of the market requirements for THC/CBD oils and the technology required to produce it. He has total public board member experience of over 29 years with a number of companies listed on the TSX, TSX.V, NASDAQ and the CSE.

Allen Morishita, Director

Mr. Morishita has more than 30 years' experience in the securities industry as a Vice-President and investment advisor with Canaccord Genuity Corp. (September 1980 to May 2011). He retired from Canaccord Genuity Corp. in May 2011, and is currently the President of Kyly Investment Corp. and Secretary/Treasurer of Morquest Trading Corporation, both privately held investment companies.

Reid Robison, Chief Clinical Officer

Dr. Robison is a board-certified psychiatrist who was named Best Psychiatrist in Utah by Salt Lake City Weekly's Best of Utah Body & Mind 2020. Dr. Robison is the co-founder of Cedar Psychiatry and serves as the Medical Director for the Center for Change, a leading eating disorder center. He was previously a coordinating investigator for the MAPS-sponsored MDMA-assisted psychotherapy study of eating disorders. As an early adopter and researcher of ketamine in psychiatry, Dr. Robison led a pivotal IV ketamine study for treatment-resistant depression by Janssen, leading up to the company's recent FDA-approval of Spravato™. To date, Dr. Robison has guided thousands of ketamine therapy journeys and hundreds of Spravato™ dosing sessions. As a social entrepreneur, Dr. Robison has built a number of purpose-driven companies including Tute Genomics which was acquired by PierianDx in 2016. Dr. Robison is also an adjunct professor at both the University of Utah and Brigham Young University and is the founder of the Polizzi Free Clinic, a free mental health clinic for marginalized people based in Salt Lake City, Utah.

Paul Thielking, Chief Science Officer

Dr. Thielking is board certified in psychiatry, hospice & palliative medicine, and integrative medicine. Dr. Thielking is the principal investigator for a Psilocybin enhanced group psychotherapy intervention for cancer patients with depression and a co-investigator on a study for KAP for opioid use disorder. He has extensive experience with creating innovative group therapy interventions for patients with serious illness and has successfully integrated KAP services within an academic outpatient oncology clinic for cancer patients with depression. Dr. Thielking was director of psycho-oncology at the University of Utah Huntsman Cancer Institute for five years and was previously an associate professor in the department of psychiatry at the University of Utah. He was also the medical director of the tobacco treatment program at the Huntsman Cancer Institute. He has extensive experience with medical students, residents, and fellows. Dr. Thielking is a graduate of the California Institute of Integrative Studies' Certification of Psychedelic Therapy and Research program.

Jason Lapensee, Senior Vice President, Clinic Operations

Mr. Lapensee is an experienced operations leader with proven success across retail, food and beverage, and healthcare industries. He has worked with acclaimed brands such as Apple, Starbucks, and Gap. Most recently, Mr. Lapensee built the proprietary operational platform that led to unprecedented clinic growth at Dawson Dental. As VP of National Clinic Operations, Mr. Lapensee is integral in driving Numinus' clinic expansion plans along with cultivating an unmatched experience for our clients.

Dr. Evan Lewis, Vice President, Psychedelic Neurology

Dr. Lewis is a Neurologist and Clinical Neurophysiologist with expertise in pediatric neurology and epilepsy. He is the founder & medical director of the NCT and VP Psychedelic Neurology Clinical Services at Numinus – a Canadian company focused on psychedelic research and therapeutics. He is an Assistant Professor with the Department of Pediatrics at the Hospital for Sick Children and the University of Toronto. Dr. Lewis attained his MD from the University of Ottawa and trained as a Pediatric Neurologist at the Children's Hospital of Eastern Ontario (CHEO). He completed fellowships in both clinical neurophysiology and epilepsy at Nicklaus Children's Hospital (formerly known as Miami Children's Hospital) and the Hospital for Sick Children. Dr. Lewis held staff positions at SickKids and Holland Bloorview Kids Rehabilitation Hospital between 2016 and 2018.

Dr. Lewis is a Fellow of the Royal College of Physicians of Canada and was the Tariff Chair of the Neurology Section for the Ontario Medical Association from 2017 – 2019. He sits on the Editorial Board for the Journal of Child Neurology's Resident/Fellow Section and is an ad-hoc reviewer for the Canadian Journal of Neurological Sciences and Paediatrics & Child Health.

Lea Bottoni, Vice President, People & Culture

Lea is a passionate, empathetic, and experienced leader with proven success with building and scaling high performing teams across retail operations, business support, supply chain and e-Commerce. An advocate of change, results focused, and collaborative partnership are cornerstones to her support with a keen focus on engagement, inclusion and encouraging innovation.

Sharan Sidhu, Vice President, Scientific Research, Innovation and Laboratory Operations

Ms. Sidhu has extensive experience as a key strategist for research roadmaps, core initiatives and the development of research requirements and management of research projects and the development of IP. Worked as a hub between academia, industry, and governing directorates to ensure research and development objectives meet regulatory compliance at all phases of pipelines from inception to commercialization. Regulatory expert and policy advisor for restrictive high growth industries. Managed several compliance projects as well as developed requirements for laboratory information management system, GLP, good agricultural and collection practices, GMP as well as methods development, vendor qualification, ISO standards and training. Developed several good practices policies and quality management systems and implemented mass change control and overall, all reduction in deviations.

Cease Trade Orders and Bankruptcies

None of our directors or executive officers is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including us) that, while that person was acting in that capacity, or after that person ceased to act in such capacity but resulting from an event that occurred while that person was acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied Numinus access to any exemption under securities legislation in each case for a period of more than 30 consecutive days.

Except as disclosed herein, none of our directors, or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of Numinus (i) is as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

Mr. Edwin Garner fully performed a consumer proposal with certain creditors for a total claim amount of \$42,897, which was settled through payment of \$12,831, including levy. The consumer proposal was filed with the official receiver on July 8, 2013, and was fully performed as of July 21, 2016.

Penalties or Sanctions

None of our directors or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of Numinus, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between us and our directors, executive officers, or other members of management as a result of their outside business interests as at the date of this AIF. However, as certain of our directors and officers also serve as directors and officers of other companies, it is possible that a conflict of interest may arise between their duties to us and their duties to such other companies. See "*Directors and Officers*" and "*Interest of Management and Others in Material Transactions*".

PROMOTERS

No person will be, or has been within the two (2) most recently completed financial years or during the current financial year, a promoter of Numinus.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On January 15, 2020, Numinus Bioscience was served a notice of claim, as filed in the Supreme Court of British Columbia, from Robert D. McIntyre and Elysium Projects Inc., a company controlled by Robert D. McIntyre (collectively the "**Claimants**"). The notice of claim alleges the Claimants were wrongfully terminated and the Claimants are seeking damages accordingly. Numinus Bioscience has filed a notice of response refuting the claim and believes the case, as presented by the Claimants, is without merit.

Numinus was served with a notice of claim dated December 23, 2019 as filed in the Supreme Court of British Columbia naming Numinus as the defendant. The notice of claim alleges the wrongful termination of the former CEO/CFO and unpaid termination benefits of \$360,000. Numinus believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by Numinus with regard to the notice of claim. To Numinus' knowledge, during the most recent financial year, there were no penalties or sanctions imposed against it by a court or regulatory body (including those relating to securities legislation or by a securities regulatory authority) against it that would likely be considered important to a reasonable investor in making an investment decision, nor were there any settlement agreements your company entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year.

Numinus is subject to several other claims or lawsuit, which either immaterial or which management believes are without merit. Numinus intends to negotiate settlements and/or defend such claims in due course.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of (i) the directors or executive officers of Numinus, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of Numinus, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this AIF or in any proposed transaction that has materially affected or is reasonably expected to materially affect Numinus or any of its subsidiaries. See "*Material Contracts*".

RELATED PARTY TRANSACTIONS

Numinus has not engaged in any non-arm's length party transactions since its incorporation, other than those set out in the Financial Statements.

AUDITOR, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The external auditors of Numinus are Davidson & Company LLP, located at 609 Granville Street, Suite 1200, Vancouver, B.C. V7Y 1G6.

The registrar and transfer agent for the Common Shares is Odyssey Trust Company at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

The following is a list of material contracts of Numinus entered into by Numinus during its most recently completed financial year and subsequent thereto, other than contracts entered into in the ordinary course of business:

1. Distribution Agreement dated September 25, 2023 between Numinus and Stifel Nicholas Canada, related to the ATM.
2. Purchase Agreement dated September 22, 2021, between Numinus and NCT whereby Numinus acquired a 100% interest in NCT.
3. Acquisition Agreement dated December 15, 2020, between Numinus and the shareholders of Mindspace whereby Numinus acquired a 100% interest in Mindspace.

INTERESTS OF EXPERTS

The Financial Statements have been audited by Davidson & Company LLP, as set forth in their audit report. Davidson & Company LLP is the independent auditor of Numinus and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees ("NI 52-110")*, Numinus is required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's charter, composition of the Audit Committee, and the fees paid to the external auditor. Numinus provides the following disclosure with respect to its Audit Committee:

Audit Committee Charter

The text of Numinus' Audit Committee charter is attached to this AIF as Appendix "A".

Composition of Audit Committee

The following are the members of the Audit Committee:

Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Larry Timlick ⁽³⁾	Yes	Yes
Edwin Garner	Yes	Yes
Allen Morishita	Yes	Yes

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with Numinus, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment and is not otherwise deemed to be not independent under NI 52-110.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Numinus' financial statements.
- (3) Chair of the Audit Committee.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out in this AIF under the heading "Directors and Officers".

Audit Committee Oversight

During the financial year ended August 31, 2023, no recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board of Directors.

Reliance on Certain Exemptions

From the date of the Numinus' public listing until its listing on the TSX on December 16, 2021, Numinus was a "venture issuer" as defined in NI 52-110 and was therefore exempt from compliance with part 3 (Composition of the Audit Committee) and part 5 (Reporting Obligations) of NI 52-110 for such period. Other than the foregoing, Numinus has not relied on any of the exemptions set out in NI 52-110 during the most recently completed fiscal year.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to Numinus by its external auditor during the financial years ended August 31, 2023 and August 31 2022:

Type of Service	Year Ended August 31, 2023	Year Ended August 31 2022
Audit Fees	\$292,300	\$197,800
Audit-Related Fees	\$62,174	\$41,400
Tax Fees	\$35,490	\$75,500
All Other Fees	-	\$15,900

Notes:

- (1) **"Audit Fees"** include fees necessary to perform the annual audit and if applicable, quarterly reviews of Numinus' consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) **"Audit-Related Fees"** include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. These fees relate to preparing and filing Numinus' Canadian tax return and related schedules.
- (4) **"All Other Fees"** includes all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to Numinus may be found on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Numinus' securities and securities authorized for issuance under equity compensation plans is contained in its most recently filed Information Circular and additional financial information is provided in the Financial Statements and the MD&A.

APPENDIX "A"

Audit Committee Charter

(see attached)

NUMINUS WELLNESS INC.

AUDIT COMMITTEE CHARTER

This Audit Committee Charter (the "**Charter**") has been adopted by the board of directors (the "**Board**") of Numinus Wellness Inc. (the "**Company**") to define the role of the Company's audit committee (the "**Committee**") in relation to the oversight of the financial reporting processes of the Company. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with applicable securities laws.

A. Purpose

The purpose of the Committee is to:

- provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies;
- helping directors meet their responsibilities, facilitating better communication between directors and the external auditor;
- enhancing the independence of the external auditor; and
- increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussion among directors, management and the external auditor.

Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

B. Duties and Responsibilities

External Auditor

1. To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
2. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.

4. To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
5. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
6. To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
 - (a) no member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (b) no former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (c) the Chief Financial Officer of the Company (the "**CFO**") must approve all office hires from the external auditor; and
 - (d) the CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
7. To ensure that the head audit partner assigned by the external auditor to the Company, as well as the audit partner charged with reviewing the audit of the Company, are changed at least every five years.
8. To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

1. To review the Company's annual audited financial statements with the Chief Executive Officer of the Company (the "**CEO**") and CFO and then with the full Board. The Committee will review the interim financial statements with the CEO and CFO.
2. To review and discuss with management and the external auditor, as appropriate:
 - (a) the annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (b) earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.

3. To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principle and any proposed material changes to them or their application.
4. To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

1. To review the internal audit staff functions, including:
 - (a) the purpose, authority and organizational reporting lines;
 - (b) the annual audit plan, budget and staffing; and
 - (c) the appointment and compensation of the controller, if any.
2. To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
3. To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
4. To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive session and review issues and matters of concern respecting audits and financial reporting.
5. In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

C. Composition

The Board shall appoint a Committee composed of a minimum of three "independent" and "financially literate" Directors as such terms are defined in applicable securities legislation. For purposes of this Charter, a Committee member is "independent" if the member has no direct or indirect material relationship with the Company, including a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A Committee member is "financially literate" if he or she has the ability to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an external consultant.

The Audit Chair of the Committee shall be a financial expert as defined in applicable securities legislation.

The Board shall appoint members of the Committee and its Chair on an annual basis. Each members of the Committee shall hold office until the close of the annual meeting of shareholders.

The Board may at any time remove or replace a member of the Committee and may fill any vacancy on the Committee that may arise from time to time. A member of the Committee shall cease to be a member if such member ceases to be a Director of the Company.

No Director may serve as a member of the Committee if they have been disqualified as a Director or otherwise been found responsible for a breach of fiduciary duty or financial wrong doing in the past.

D. Procedures

1. The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee. In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
2. The Chair will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
3. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
4. The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
5. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board.
6. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants as it deems appropriate.
7. The Committee has the authority to communicate directly with the internal and external auditors.

E. Reports

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make this report; and
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

APPENDIX "B"

Glossary of Terms

"AIF"	means this annual information form;
"Audit Committee"	means the audit committee of the Board of Directors;
"ATM Offering"	Means Numinus' at-the-marketing offering;
"Ayahuasca"	means a psychoactive brew made from multiple plant materials and consumed in Amazonian Indigenous traditional practices for ceremonial, medicinal and spiritual purposes;
"Board of Directors"	means the board of directors of Numinus;
"CAC Trial"	means the proposed single-arm, open-label, compassionate access clinical trial with respect to MDMA-assisted psychotherapy for PTSD pursuant to the collaboration agreement between Numinus, MAPS and MAPS PBC;
"CCR"	means Cedar Clinical Research Inc.;
"CDSA"	means the <i>Controlled Drugs and Substances Act</i> , SC 1996, c. 19, as amended;
"CIPO"	means the Canadian Intellectual Property Office;
"Claimants"	means, collectively, Robert D. McIntyre and Elysium Projects Inc.;
"CMO"	means contract research organizations;
"Corporate KAP"	means Numinus' pilot mental health program for corporate clients, offering KAP as a health benefit for eligible employees;
"CSA"	means the United States federal <i>Controlled Substances Act</i> ;
"CSE"	means the Canadian Securities Exchange;
"COVID-19"	means the novel coronavirus;
"Common Shares"	means the common shares in the capital of Numinus;
"DEA"	means the United States Drug Enforcement Administration;
"DEA License"	means a DEA license to obtain and administer ketamine;
"Dealer's License"	means Salvation's license under the CDSA for possession, processing, sale, sending, transportation and delivery of (i) Psilocybin, (ii) Psilocin, (iii) Mescaline, (iv) DMT, and (v) MDMA;

"DMT"	means N,N-Dimethyltryptamine;
"FDA"	means the Food and Drug Administration;
"Financial Statements"	means the audited consolidated financial statements of Numinus for the years ended August 31, 2023 and 2022;
"forward-looking statements"	means certain statements in this AIF about Numinus' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable Securities Laws;
"GLP"	means Good Laboratory Practice;
"GMP"	means Good Manufacturing Practice;
"iFinance"	means iFinance Canada Inc.;
"IFRS"	means International Financial Reporting Standards;
"Information Circular"	means the information circular of Numinus dated January 28, 2023 in respect of its annual general meeting of shareholders held on February 15, 2023;
"ISO"	means the International Organization for Standardization;
"KAP"	means ketamine-assisted psychotherapy;
"Lab and Testing Facility"	means Numinus' laboratory and testing facility located in Nanaimo, British Columbia;
"LSD"	means lysergic acid diethylamide;
"MAPS"	means the Multidisciplinary Association for Psychedelic Studies;
"MAPS PBC"	means the Multidisciplinary Association for Psychedelic Studies Public Benefit Corporation;
"MD&A"	means the management discussion and analysis of Numinus for the financial years ended August 31, 2023 and 2022;
"MDMA"	means N-Methyl-3,4, methylenedioxyamphetamine;
"Mescaline"	means 3, 4, 5-Trimethoxyphenethylamine;
"MindSpace"	means MindSpace Services Inc.;
"NCT"	means the Neurology Centre of Toronto Inc.;

"NI 52-110"	means National Instrument 52-110 - <i>Audit Committees</i> ;
"Novamind"	means Novamind Inc.;
"Numinus"	means Numinus Wellness Inc., and as the context requires, includes Numinus as a consolidated entity with its wholly owned subsidiaries;
"Numinus Bioscience"	means Numinus Bioscience Inc.;
"Numinus Health"	means Numinus Health Corp.;
"Optimi"	means Optimi Health Corp.;
"Options"	means the options in the capital of Numinus;
"PTSD"	means posttraumatic stress disorder;
"RSU"	means the restricted share units of Numinus;
"RTO"	means the reverse takeover of Numinus by Numinus Bioscience by way of a securities exchange between Numinus and Numinus Bioscience;
"SAP"	means Health Canada's Special Access Program;
"Securities Laws"	means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer;
"State CSAs"	means U.S. state controlled substances acts;
"TSX"	means the Toronto Stock Exchange;
"TSX.V"	means the TSX Venture Exchange;
"USPTO"	means the United States Patent and Trade Office;
"Warrants"	means the issued and outstanding Common Share purchase warrants of Numinus;
"Wellness Centre"	means Numinus' wellness centre located in Vancouver, British Columbia, where registered professional therapists and health professionals use supportive therapies and technologies to focus on treating mental health and substance abuse; and
"WHO"	means the World Health Organization.