



NUMINUS

NUMINUS WELLNESS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended May 31, 2024 and 2023

(Expressed in Canadian Dollars)

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	Notes	May 31, 2024	August 31, 2023
Current assets			
Cash and cash equivalents	17	\$ 3,699,653	\$ 8,579,535
Trade and other receivables	4, 16	2,204,200	2,284,139
Prepaid expenses and deposits	5	1,033,322	1,190,518
Assets held for sale	6	20,000	-
		6,957,175	12,054,192
Non-current assets			
Property and equipment	6	6,246,148	9,795,158
Investments	8	494,640	2,076,595
Prepaid expenses and deposits	5	306,111	406,082
Total assets		\$ 14,004,074	\$ 24,332,027
Current liabilities			
Accounts payable and accrued liabilities		\$ 2,188,056	\$ 2,886,730
Current portion of loans payable	9	1,495,624	70,675
Deferred revenue		108,877	197,214
Current portion of lease obligations	15	1,165,297	1,486,453
		4,957,854	4,641,072
Non-current liabilities			
Loans payable	9	142,996	163,848
Lease obligations	15	4,271,513	5,478,401
Total liabilities		\$ 9,372,363	\$ 10,283,321
Shareholders' equity			
Share capital	10	118,093,670	112,266,968
Reserves	10	19,108,078	18,273,781
Accumulated other comprehensive income		412,334	374,401
Deficit		(132,982,371)	(116,866,444)
Total equity		4,631,711	14,048,706
Total liabilities and shareholders' equity		\$ 14,004,074	\$ 24,332,027
Nature of operations and going concern	1		
Commitments and contingencies	15		
Subsequent event	18		

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended		For the nine months ended	
		May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Revenue	12	\$ 4,348,781	\$ 5,174,286	\$ 13,971,347	\$ 14,670,705
Cost of revenue	12	3,390,965	3,309,059	9,589,228	8,722,019
Gross profit		957,816	1,865,227	4,382,119	5,948,686
Expenses			-		-
General and administration	11	4,136,863	7,210,465	14,564,998	21,065,950
Share-based compensation	10, 16	312,682	345,402	834,297	1,075,171
Sales and marketing		170,703	358,736	695,646	1,412,000
Depreciation	6, 7	289,156	410,951	985,821	1,226,758
Research and development		4,556	267,289	25,754	968,110
Transaction costs		-	-	-	13,573
Total expenses		4,913,960	8,592,843	17,106,516	25,761,562
Loss before other items		(3,956,144)	(6,727,616)	(12,724,397)	(19,812,876)
Interest expense and other finance cost	9, 15	(137,801)	(177,498)	(444,825)	(531,667)
Loss on sale of investments	8	-	-	(734,994)	-
Interest and other finance income		8,125	3,620	9,416	4,359
Other income (expense)	6	(1,031,928)	2,201	(1,070,933)	82,550
Foreign exchange loss		(5,975)	(7,203)	(58,369)	(53,278)
Revaluation of contingent consideration payable	14	-	-	-	571,728
Loss from operations before taxes		\$ (5,123,723)	\$ (6,906,496)	\$ (15,024,102)	\$ (19,739,184)
Income tax recovery		-	(9,385)	-	(35,490)
Net loss from continuing operations		\$ (5,123,723)	\$ (6,915,881)	\$ (15,024,102)	\$ (19,774,674)
Net loss from discontinued operations	13	(631,398)	(373,287)	(1,091,825)	(1,143,388)
Net Loss		\$ (5,755,121)	(7,289,168)	\$ (16,115,927)	(20,918,062)
Other comprehensive income (loss)		(10,964)	(6,615)	37,933	228,153
Comprehensive loss		\$ (5,766,085)	\$ (7,295,783)	\$ (16,077,994)	\$ (20,689,909)
Loss per share, basic and diluted, continuing operations		\$ (0.02)	\$ (0.03)	\$ (0.05)	\$ (0.08)
Loss per share, basic and diluted, discontinued operations		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding, basic and diluted		266,313,274	210,247,839	279,948,556	262,731,916

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - in Canadian Dollars)

	For the nine months ended	
	May 31, 2024	May 31, 2023
Cash flows from operating activities		
Net loss from discontinued operations	\$ (1,091,825)	\$ (1,143,388)
Net loss from continuing operations	\$ (15,024,102)	\$ (19,774,674)
Items not affecting cash:		
Depreciation	1,677,011	1,996,905
Share-based compensation	834,297	1,075,171
Interest and interest accretion	445,339	393,529
Loss on sale of marketable securities	750,869	-
Loss on disposal of assets	280,597	(179,658)
Unrealized (gain)/loss on marketable securities	(21,055)	-
Gain on long-term investments	-	(80,230)
(Gain)/loss on Lease cancellations	300,721	-
Write-off of equipment	811,560	-
Impairment of goodwill and intangibles	-	(127,366)
Revaluation of contingent consideration payable	-	(1,286,571)
	(9,944,763)	(17,982,894)
Changes in non-cash working capital		
Accounts receivable	107,365	(652,011)
Prepaid expenses	247,425	(60,051)
Accounts payable and accrued liabilities	(646,442)	(112,086)
Deferred revenue	(88,337)	(104,358)
Cash used in operating activities of continuing operations	(10,324,752)	(18,911,400)
Cash used in operating activities of discontinued operations	(676,447)	(207,411)
Cash flows from investing activities		
Acquisition of equipment	(25,445)	-
Proceeds from disposal of assets	19,775	5,435
Proceeds from disposal of marketable securities	852,142	-
Cash generated by (used in) investing activities of continuing operations	846,472	5,435
Cash generated by (used in) investing activities of discontinued operations	(1,313)	(374,367)
Cash flows from financing activities		
Issuance of common shares, net of share issue costs	314,454	-
Proceeds from prospectus offering	5,512,248	-
Proceeds from warrants exercised	-	844,120
Proceeds from options exercised	-	71,877
Lease payment	(1,561,257)	(1,267,548)
Lease cancellation payments	(364,179)	-
Repayment of loans	(58,493)	(56,867)
Loan proceeds	1,439,480	-
Cash generated by financing activities of continuing operations	5,282,253	(408,418)
Cash generated by financing activities of discontinued operations	(101,987)	(99,301)
Effect of foreign exchange on cash	95,892	(92,650)
Change in cash and cash equivalents during the period	(4,879,882)	(20,088,112)
Cash and cash equivalents, beginning of the period	8,579,535	33,044,045
Cash and cash equivalents, end of the period	\$ 3,699,653	\$ 12,955,933

Supplemental cash flow information (Note 17)

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars, except share amounts)

	Notes	Share Capital		Reserves	Obligations to issue equity	Accumulated Other Comprehensive Income	Deficit	Total
		Common Shares	Amount					
Balance, August 31, 2022		256,237,380	\$ 109,199,506	\$ 17,472,377	\$ 1,087,671	\$ 64,248	\$ (86,610,066)	\$ 41,213,736
Exercise of stock options	11	287,504	109,370	(37,493)	-	-	-	71,877
Exercise of warrants	11	2,411,774	940,471	(96,351)	-	-	-	844,120
Shares issued in exchange for RSUs	11	4,128,411	1,058,087	(136,960)	(921,127)	-	-	-
Shares issued for acquisition of Mindspace	11	1,116,653	437,960	-	(166,544)	-	-	271,416
Share-based compensation		1,500,000	344,998	458,757	-	-	-	803,755
Comprehensive loss for the period		-	-	-	-	228,153	(20,918,061)	(20,689,908)
Balance, May 31, 2023		265,681,722	\$ 112,090,392	\$ 17,660,330	\$ -	\$ 292,401	\$ (107,528,127)	\$ 22,514,996
Balance, August 31, 2023		266,455,100	\$ 112,266,968	\$ 18,273,781	\$ -	\$ 374,401	\$ (116,866,444)	\$ 14,048,706
Shares issued for ATM financing, net of share issuance costs	10	4,096,500	314,454	-	-	-	-	314,454
Shares issued for prospectus offering, net of share issuance costs	10	50,000,000	5,512,248	-	-	-	-	5,512,248
Share-based compensation	10	-	-	834,297	-	-	-	834,297
Loss and comprehensive loss for the year		-	-	-	-	37,933	(16,115,927)	(16,077,994)
Balance, May 31, 2024		320,551,600	\$ 118,093,670	\$ 19,108,078	\$ -	\$ 412,334	\$ (132,982,371)	\$ 4,631,711

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

1. NATURE OF OPERATIONS

Numinus Wellness Inc. (the “Company” or “Numinus”) was incorporated on October 26, 1964 under the Laws of British Columbia. The Company was traded on the TSX Venture Exchange (the “Exchange”) and graduated to the Toronto Stock Exchange (“TSX”) on December 16, 2021 under the symbol “NUMI”. The Company’s registered and records office is located at 250 - 997 Seymour St., Vancouver, BC, V6B 3M1.

Numinus’ wellness clinic network in Canada consisted of Numinus Health Corp. (“Numinus Health”), Mindspace Services Inc. (“Mindspace”) and the Neurology Centre of Toronto Inc. (“NCT”). Numinus’ wellness clinic network in the United States consists of Numinus Wellness UT Inc. (“Numinus Utah”) (formerly Cedar Psychiatry Inc.) and Foundations for Change Inc. (“FFC”). Numinus’ wellness clinic network provides services including ketamine-assisted psychotherapy (“KAP”) for depression, transcranial magnetic stimulation (“TMS”), psychotherapy and counselling by registered psychologists. Numinus develops KAP protocols for other clinical indications and therapeutic protocols for other psychedelic substances.

On May 7, 2024, the Company announced that it had entered into an agreement with the Canadian Centre for Psychedelic Healing (“Field Trip Health”). Through the arrangement, the Company will earn a portion of the revenue generated from the referral of patients of its existing Canadian business to Field Trip Health. Once the transfer is completed, the Company’s clinics in Canada, Montreal (Mindspace), Toronto (NCT), and Vancouver (Numinus Health), will be closed.

Numinus Bioscience Inc. (“Numinus Bioscience”) was the Company’s Health Canada-licensed laboratory developing intellectual property, advancing research, and providing contract research and innovation services. On September 18, 2023, the Company announced that all operations relating to Numinus Bioscience would be wound down as part of the Company’s broader cost containment strategy.

Cedar Clinical Research (“CCR”) is the Company’s research arm based in various cities in the states of Utah and Arizona in the United States, focused on hosting phase I through phase IV clinical trial and research focused on emerging treatment options in neuropsychiatry on behalf of third-party sponsors. CCR hosts and sponsors investigator-initiated studies to answer research questions unaddressed by clinical trials and to validate psychedelic-assisted psychotherapy treatment protocols.

Numinus Digital Inc. (“Numinus Digital”) provides robust certification pathways for diverse professionals who are looking to develop core psychedelic-assisted therapy skills through multi-modal teaching methods including interactive evidence and theory reviews, audio-visual design, case-based learning, experiential learning, and in-person shadowing opportunities. Numinus Digital also develops tailored education and training for research and drug development organizations to support clinical trials and commercialization efforts.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

1. NATURE OF OPERATIONS (Continued)

Economic Uncertainty

Global factors could have adverse impacts on the operations of the Company's business. Factors affecting current economic conditions include, but are not limited to, supply chain challenges; evolving impacts of the conflict in Ukraine and the Middle East; escalating energy supply shortages and costs; inflationary pressures; rising interest rates; changes in monetary and fiscal policies; and other responses from central banks and other government authorities. These factors can increase economic uncertainty, which may affect matters such as issuer liquidity, asset values, exposure to loss, and business continuity. These global challenges may result in increasing estimation uncertainty for those responsible for financial reporting because the assumptions used to prepare the financial statements may materially change in the near term.

Going Concern

These condensed consolidated interim financial statements for the three and nine months ended May 31, 2024 and May 31, 2023, have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred an accumulated deficit of \$132,982,371 and a net loss of \$16,115,927 for the nine months ended May 31, 2024. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

2. MATERIAL ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with our audited consolidated financial statements for the year ended August 31, 2023. Except as described below, the accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in our audited consolidated financial statements for the year ended August 31, 2023.

a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements were authorized for issue by our Board of Directors on July 11, 2024.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

c) Basis of consolidation

These condensed consolidated interim financial statements incorporate the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
Numinus Bioscience Inc. (formerly Salvation Botanicals Ltd.)	Canada	100%	CAD	Research
Numinus Health Corp.	Canada	100%	CAD	Health & Wellness
Numinus Digital Inc.	Canada	100%	CAD	Health & Wellness
Mindspace Services Inc.	Canada	100%	CAD	Health & Wellness
Neurology Centre of Toronto Inc.	Canada	100%	CAD	Health & Wellness
Numinus Wellness Research Inc.	Canada	100%	CAD	Research
Novamind Inc.	Canada	100%	CAD	Holding Company
Novamind Ventures Inc.	Canada	100%	CAD	Holding Company
Foundations for Change Inc.	United States	100%	USD	Health & Wellness
Numinus Wellness UT Inc. (formerly Cedar Psychiatry Inc.)	United States	100%	USD	Health & Wellness
Numinus Health (USA) Inc.	United States	100%	USD	Health & Wellness
Cedar Clinical Research Inc.	United States	100%	USD	Research
Salvation Bioscience Inc.	Canada	100%	CAD	Inactive
1659070 Canada Inc.	Canada	100%	CAD	Inactive
1050086 BC Ltd.	Canada	100%	CAD	Inactive
1134337 BC Ltd.	Canada	100%	CAD	Inactive

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of the Company's subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. Additional entities that the Company controls and consolidates are the following Canadian professional corporations that provide services to our clients: Dr. Andrew Bui-Nguyen Inc., Dr. Evan Lewis Medical Professional Corporation, Dr. Neil Barclay Corporation, and Dr. R. N. Barclay Corporation. All intercompany transactions and balances have been eliminated.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

2. MATERIAL ACCOUNTING POLICIES (Continued)

d) Functional and Presentation Currency

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in *IAS 21 The Effects of Changes in Foreign Exchange Rates*.

The assets and liabilities of foreign operations are translated into Canadian dollars at year-end exchange rates while income and expenses, and cash flows are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income (loss).

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

e) Non-current Assets Held for Sale

The Company classifies non-current assets as held for sale when their carrying amounts shall be recovered through a sale transaction rather than through continuing use. The criteria for the held for sale classification is met when a sale is highly probable, the asset is available for immediate sale in its present condition, and there is a plan and commitment to the sale, which is expected to be completed within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying value or fair value less costs to sell. Non-current assets are not depreciated once classified as held for sale.

f) Discontinued Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company, and which represents a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative consolidated statement of loss and comprehensive loss is re-presented as if the operation has been discontinued from the start of the comparative year. Cash flows from discontinued operations are presented separately from continuing operations.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of assumptions, judgements and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These assumption, judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The significant judgements and estimates applied in the preparation of the condensed consolidated interim financial statements for the three and nine months ended May 31, 2024 are consistent with those applied and disclosed in Note 2 to our audited consolidated financial statements for the year ended August 31, 2023.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

4. TRADE AND OTHER RECEIVABLES

	May 31, 2024	August 31, 2023
Trade receivables	\$ 1,708,636	\$ 1,773,375
Input tax credit receivables	34,216	18,540
Other receivables ¹	461,348	492,224
	\$ 2,204,200	\$ 2,284,139

¹ A portion of other receivables relates to related party transactions (refer to Note 16).

5. PREPAID EXPENSES AND DEPOSITS

	May 31, 2024	August 31, 2023
Marketing	\$ 47,250	\$ 133,332
Insurance	199,287	697,805
Rent	9,847	11,706
Consulting	468,500	39,500
IT Expenses	76,495	188,511
Filing Fees	20,608	11,299
Others	211,335	108,365
Prepaid expenses	\$ 1,033,322	\$ 1,190,518
Non-current deposits and prepaid expenses	\$ 306,111	\$ 406,082

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

6. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Equipment	Computer	Furniture and Fixtures	Right of Use Assets - Equipment	Right of Use Assets - Premises	Total
Cost							
Balance, August 31, 2023	\$ 3,449,749	\$ 1,744,429	\$ 275,786	\$ 559,580	\$ 1,625,672	\$ 7,793,673	\$ 15,448,889
Additions	-	25,444	-	5,313	-	-	30,757
Disposals and write-offs	(1,778,130)	(1,719,330)	(224,938)	(168,120)	(115,074)	(1,075,480)	(5,081,072)
Foreign exchange	14,609	3,923	202	3,101	3,619	49,904	75,358
Balance, May 31, 2024	\$ 1,686,228	\$ 54,466	\$ 51,050	\$ 399,874	\$ 1,514,217	\$ 6,768,097	\$ 10,473,932
Accumulated depreciation							
Balance, August 31, 2023	\$ 1,297,767	\$ 926,755	\$ 213,890	\$ 199,976	\$ 991,096	\$ 2,024,247	\$ 5,653,731
Disposals and write-offs	(1,199,776)	(940,021)	(192,578)	(96,973)	(100,525)	(748,999)	(3,278,872)
Depreciation	397,768	25,636	9,898	77,489	327,293	989,266	1,827,350
Foreign exchange	3,705	73	78	1,144	2,643	17,932	25,575
Balance, May 31, 2024	\$ 499,464	\$ 12,443	\$ 31,288	\$ 181,636	\$ 1,220,507	\$ 2,282,446	\$ 4,227,784
Net book value at May 31, 2024	\$ 1,186,764	\$ 42,023	\$ 19,762	\$ 218,238	\$ 293,710	\$ 4,485,651	\$ 6,246,148

During the nine months ended May 31, 2024, \$754,558 of laboratory and computer equipment arising from the cessation of operations of Numinus Bioscience, part of Clinical Research Operations (Note 12), were classified as assets held for sale and written off leaving a balance as of May 31, 2024 of \$20,000 as assets held for sale. The \$754,558 impact of the write-down is reflected on the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss within other income and expenses. Proceeds received from ongoing asset sales during the three and nine months ended May 31, 2024 were \$19,775 and \$19,775, respectively.

For the three and nine months ended May 31, 2024, \$232,736 and \$683,000 of depreciation expense, respectively, is included in cost of revenue from continuing operations (2023 - \$261,116 and \$752,929, respectively). In addition, for the three and nine months ended May 31, 2024, \$179 and \$8,190 of depreciation expenses, respectively, is included in research and development from continuing operations (2023 - \$5,740 and \$17,219, respectively).

For the three and nine months ended May 31, 2024, \$40,893 and \$122,280 of depreciation expense, respectively, is included in cost of revenue from discontinued operations (2023 - \$40,778 and \$120,158, respectively). In addition, for the three and nine months ended May 31, 2024, \$Nil and \$Nil of depreciation expenses, respectively, is included in research and development from discontinued operations (2023 - \$Nil and \$Nil, respectively).

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2024 and May 31, 2023

7. GOODWILL AND INTANGIBLE ASSETS

	Customer Relationships	Brand Name	Goodwill	Total
Balance, August 31, 2022	\$ 65,777	\$ 277,123	\$ 2,171,683	\$ 2,514,583
Amortization	(16,200)	(59,200)	-	(75,400)
Impairment	(49,577)	(217,923)	(2,283,027)	(2,550,527)
Foreign exchange movement	-	-	111,344	111,344
Balance, August 31, 2023	\$ -	\$ -	\$ -	\$ -
Balance, May 31, 2024	\$ -	\$ -	\$ -	\$ -

For the three and nine months ended May 31, 2024, amortization of intangible assets of \$Nil and \$Nil, respectively (2023 - \$19,004 and \$56,395, respectively) is included in depreciation expense on the condensed consolidated interim statement of loss and comprehensive loss.

8. INVESTMENTS

As part of the Novamind acquisition, the Company assumed two long-term investments.

- i. Alto Neuroscience Inc. ("Alto") – A clinical-stage biopharmaceutical company where, during 2021, Novamind purchased 1,000 non-voting participating investor shares in a special purpose vehicle (the "SPV") for \$1,220,000 (US\$1,000,000). As at the acquisition date of Novamind, June 10, 2022, the Company's investment in the SPV was valued at \$1,549,856. During the nine months ended May 31, 2024, the Company sold its investment in the SPV for proceeds of \$852,142 and recorded a loss on sale of investments of \$750,868.
- ii. Bienstar Wellness Corp. ("Bienstar") – An early-stage private mental health company where, during 2022, Novamind purchased 2,000,000 common shares for \$642,700 (US\$500,000). As at the acquisition date of Novamind, June 10, 2022, the Company's investment in Bienstar was valued at \$638,284. As at May 31, 2024, the Company's investment in Bienstar is valued at \$494,640 (August 31, 2023 - \$473,585).

	SPV	Bienstar	Total
Balance, August 31, 2022	\$ 1,716,068	\$ 655,550	\$ 2,371,618
Unrealized gain	(113,058)	(181,965)	(295,023)
Balance, August 31, 2023	\$ 1,603,010	\$ 473,585	\$ 2,076,595
Unrealized gain (loss)	-	21,055	21,055
Proceeds from sale of investment	(852,142)	-	(852,142)
Realized loss on sale of investment	(750,868)	-	(750,868)
Balance, May 31, 2024	\$ -	\$ 494,640	\$ 494,640

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

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9. LOANS PAYABLE

On March 31, 2021, FFC received a US\$150,000 COVID-19 Economic Injury Disaster Loan through the U.S. Small Business Administration Agency (the "SBA Loan"). On August 26, 2021, FFC received an additional advance of US\$49,600. The Company assumed the SBA Loan on June 10, 2022 as part of the acquisition of Novamind. The SBA Loan bears interest at a rate of 3.75% per annum on the outstanding principal balance only where there is no compounding of interest. Payments on the SBA Loan were initially deferred for 18 months, followed by monthly payments of USD\$999 starting on September 3, 2022. The SBA Loan had an initial term of 30 years with the remaining principal and accrued interest due at maturity on March 3, 2051. The loan is secured by general business assets of FFC.

The initial fair value of the SBA Loan was determined to be \$147,236 using an effective interest rate of 9.99%.

In addition, as part of the Novamind acquisition, the Company assumed a loan payable to Bankers Healthcare Group LLC ("BHG") with an outstanding balance of US\$102,386 on June 10, 2022 (the "BHG Loan"). The loan bears interest at a rate of 9.99% per annum and the Company is required to make monthly payments of US\$3,676 until maturity on January 5, 2025. The initial fair value of the BHG Loan was determined to be \$130,818 using an effective interest rate of 9.99%.

On March 20, 2024, the Company entered into a Temporary Funding Assistance Program Agreement (the "Optum Loan") with Change Healthcare Operations, LLC ("CHO"). The interest free Optum Loan with CHO was executed as a means for CHO to provide funds to the Company that would have otherwise been received if disruptions to the processing of electronic healthcare transactions, claims processing, and administrative services did not occur. The Company is required to repay the total amount funded within 45 business days of receiving notice that the total funding amount is due. As at May 31, 2024, the Company has not received any notices for repayment.

The following table summarizes the balances for the loans:

	SBA Loan	BHG Loan	Optum Loan	Total
Balance, August 31, 2022	154,366	122,267	-	276,633
Loan repayments	(16,186)	(59,559)	-	(75,745)
Accretion expense	4,409	-	-	4,409
Interest	10,106	10,367	-	20,473
Foreign exchange	4,942	3,811	-	8,753
Balance, August 31, 2023	157,637	76,886	-	234,523
Additions	-	-	1,439,480	1,439,480
Loan repayments	(13,566)	(44,927)	-	(58,493)
Accretion expense	3,329	-	-	3,329
Interest	7,630	4,452	-	12,082
Foreign exchange	1,224	433	6,042	7,699
Balance, May 31, 2024	156,254	36,844	1,445,522	1,638,620
Allocated as:				
Current	13,258	36,844	1,445,522	1,495,624
Non-current	142,996	-	-	142,996
Balance, May 31, 2024	156,254	36,844	1,445,522	1,638,620

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10. SHARE CAPITAL AND RESERVES

The Company has unlimited authorized common shares with no par value.

Prospectus offering

On February 16, 2024, the Company issued 50,000,000 units at a price of \$0.12 for gross proceeds of \$6,000,000 and net proceeds of \$5,512,248 as part of its prospectus offering, each unit consisting of one common share and one common share purchase warrant, exercisable at a price of \$0.18 for a period of 24 months. The prospectus offering also granted underwriters an Over-Allotment Option to purchase an additional 7,500,000 units at a price of \$0.11, each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.18 for a period of 24 months. The underwriters did not exercise the over-allotment option.

At-the-market equity offering program

On September 25, 2023, the Company filed a prospectus supplement to accompany the short form base shelf prospectus filed on June 27, 2023, to establish the Company's at-the-market equity offering program (the "ATM Program"). The ATM Program allows the Company, at its discretion, to issue up to \$10,000,000 of common shares from treasury to the public from time to time at the prevailing market price.

During the nine months ended May 31, 2024, the Company issued 4,096,500 common shares at an average price of \$0.12 for gross proceeds of \$479,284 and net proceeds of \$314,454 after commissions and deferred financing costs.

Prior Year Issuances

During the nine months ended May 31, 2023, the Company issued 1,116,653 common shares with a fair value of \$437,960 as part of the Mindspace acquisition consideration valued at the closing price of the Company's shares on February 8, 2021.

During the nine months ended May 31, 2023, the Company issued an aggregate of 2,411,774 common shares on the exercise of warrants for gross proceeds of \$844,120. The Company also reclassified \$96,351 from reserves to share capital on the exercise of these warrants.

During the nine months ended May 31, 2023, the Company issued an aggregate of 287,504 common shares on the exercise of options for gross proceeds of \$71,877. The Company also reclassified \$37,493 from reserves to share capital on the exercise of these options.

During the nine months ended May 31, 2023, the Company issued 4,128,411 common shares of the Company valued at \$1,058,087 relating to the exchange of vested restricted share units.

During the nine months ended May 31, 2023, the Company issued 1,500,000 common shares with a fair value of \$344,998 to the Company's former Chief Medical Officer who now serves as an advisor to the Company.

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10. SHARE CAPITAL AND RESERVES (continued)

Warrants

The changes in warrants during the nine months ended May 31, 2024, are as follows:

	2024		2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, August 31,	11,340,000	\$0.60	44,253,353	\$1.06
Issued	50,000,000	\$0.18	143,752	\$0.35
Exercised	-	-	(2,411,774)	\$0.35
Expired	-	-	(30,645,331)	\$1.29
Outstanding, May 31,	61,340,000	\$0.26	11,340,000	\$0.60

The following table summarizes share purchase warrants outstanding as at May 31, 2024:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (months)
January 27, 2025	840,000	\$0.60	8.0
February 16, 2026	50,000,000	\$0.18	20.9
January 26, 2027	10,500,000	\$0.60	32.3
Total	61,340,000	\$0.60	22.7

Stock options

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company. The maximum number of common shares issuable under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company as at the date of shareholder approval. Options granted must be exercised no later than ten years from the date of grant or any such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date or the minimum price as per the Exchange. Any options issued to an investor relation consultant optionee must vest in stages over at least a twelve-month period with no more than 25% of such options vesting in any three-month period.

The changes in stock options and compensation options during the nine months ended May 31, 2024 and May 31, 2023 are as follows:

	2024		2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, August 31,	14,553,682	\$0.32	11,637,304	\$0.78
Granted	80,000	\$0.50	825,000	\$0.24
Exercised	-	-	(287,504)	\$0.25
Expired	(2,123,000)	\$0.50	(5,556,118)	\$1.07
Forfeited	(4,213,788)	\$0.38	(100,000)	\$0.36
Outstanding, May 31,	8,296,894	\$0.23	6,518,682	\$0.49

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10. SHARE CAPITAL AND RESERVES (continued)

The following table summarizes stock options outstanding and exercisable as at May 31, 2024:

Expiry Date	Number of Options	Options Exercisable	Weighted Average Exercise Price	Weighted Average Life (months)
August 4, 2024	160,000	160,000	0.29	2.2
August 31, 2024	30,000	30,000	0.36	3.1
October 31, 2024	30,000	30,000	0.27	5.1
November 30, 2024	30,000	30,000	0.25	6.1
December 30, 2024	30,000	22,500	0.19	7.1
February 28, 2025	30,000	22,500	0.22	9.1
April 30, 2025	30,000	30,000	0.66	2.0
July 31, 2025	30,000	30,000	0.22	14.2
December 11, 2025	607,894	607,894	0.48	18.6
December 22, 2025	84,000	84,000	1.19	19.0
June 1, 2028	1,910,000	1,910,000	0.20	48.7
February 28, 2029	80,000	40,000	0.12	57.8
June 1, 2033	4,245,000	4,245,000	0.20	109.6
June 15, 2033	1,000,000	166,600	0.22	110.1
Total	8,296,894	7,408,494	0.23	82.9

The fair value of stock options and compensation options were calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions as of May 31, 2024:

	2024	2023
Weighted average fair value per share	\$0.12	\$0.18
Risk-free interest rate	3.57%	3.72%
Expected life of options	2 Years	2 years
Annualized volatility	91.23%	72.03%
Dividend rate	-	-
Weighted average fair value per option	\$0.09	\$0.07

The share-based payments expense relating to share purchase options for the three and nine months ended May 31, 2024 were \$134,066 and \$642,870, respectively (2023 – \$56,874 and \$284,949).

For the three and nine months ended May 31, 2023, the Company recognized a reversal of \$21,864 and \$21,864 in relation to the forfeited stock options respectively.

NUMINUS WELLNESS INC.

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10. SHARE CAPITAL AND RESERVES (continued)

Restricted Share Units

Under the Plan, awards for Restricted Share Units (“RSUs”) are settled in common shares of the Company with each RSU entitling the holder to receive one common share of the Company. All units are accounted for as equity-settled awards

A summary of the Company’s unit plans and changes is as follows:

	May 31, 2024	August 31, 2023
Opening balance	254,378	995,135
Granted	3,872,705	72,000
Vested	(254,378)	(812,757)
Outstanding	3,872,705	254,378

For the three and nine months ended May 31, 2023, the Company recognized RSU share-based payment expense of \$200,480 and \$213,291, respectively (2023 - \$34,624 and \$173,808).

As at May 31, 2024, the Company has an obligation to issue 306,378 common shares in relation to vested RSUs (2023 – Nil).

11. GENERAL AND ADMINISTRATION EXPENSES

General and administrative expenses from continuing operations consist of the following:

	Three months ended May 31,		Nine months ended May 31,	
	2024	2023	2024	2023
Salary and wages (note 16)	\$ 1,842,656	\$ 3,891,773	\$ 7,638,573	\$ 11,578,786
Professional and consulting fees	975,941	1,305,313	3,264,715	4,620,580
Office and miscellaneous	1,318,266	2,013,379	3,661,710	4,866,584
	\$ 4,136,863	\$ 7,210,465	\$ 14,564,998	\$ 21,065,950

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12. OPERATING SEGMENTS

The Company's operating segments are reviewed by the Chief Operating Decision Maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the nature of operations. Factors considered in determining the operating segments include the Company's business activities, management and reporting structure directly accountable to the CODM, availability of financial information and strategic priorities of the Company. Refer to Note 13 with respect to the former Canadian Clinic Network which has been classified as discontinued operations.

The following are the operating segments which the Company has determined to be utilized:

Operating Segment	Description
Clinical research operations	Focused on licensed psychedelic research and derive revenues from providing clinical research management services to academic institutions and biotechnology companies
Practitioner Training	Tailored education and training for research and drug development organizations to support clinical trials and commercialization efforts
Clinic network	Wellness clinics that derive revenues from clinical services from psychedelic-assisted therapies, transcranial magnetic stimulation, and psychiatric and medical model management
Corporate	The Company's functional areas including, but not limited to, finance, marketing, information technology, product, legal, human resources, and the executive team

The following is a summary of the reported amounts of loss before other items, loss before income taxes and the carrying amount of assets and liabilities by operating segment of continuing operations:

Three months ended May 31, 2024	Clinical Research Operations	Practitioner Training	Clinic Network	Corporate	Total
Revenue	\$ 824,082	\$ 168,830	\$ 3,355,869	\$ -	\$ 4,348,781
Cost of revenue	(1,003,919)	(34,968)	(2,352,078)	-	(3,390,965)
Gross Profit (loss)	(179,837)	133,862	1,003,791	-	957,816
Depreciation	(123,885)	-	(163,898)	(1,373)	(289,156)
Share-based compensation	-	-	-	(312,682)	(312,682)
Research and development	-	-	-	(4,556)	(4,556)
Other operating expenses	(76,829)	(132,965)	(1,855,903)	(2,241,869)	(4,307,566)
Loss before other items	\$ (380,551)	\$ 897	\$ (1,016,010)	\$ (2,560,480)	\$ (3,956,144)
Interest expense	(25,379)	-	(112,422)	-	(137,801)
Other items	(933,132)	(84)	(115,835)	19,273	(1,029,778)
Net loss from continuing operations	\$ (1,339,062)	\$ 813	\$ (1,244,267)	\$ (2,541,207)	\$ (5,123,723)
Net loss from discontinued operations	-	-	(631,398)	-	(631,398)
Net Loss	\$ (1,339,062)	813	(1,875,665)	(2,541,207)	(5,755,121)

Nine months ended May 31, 2024	Clinical Research Operations	Practitioner Training	Clinic Network	Corporate	Total
Revenue	\$ 2,588,856	\$ 423,658	\$ 10,958,833	\$ -	\$ 13,971,347
Cost of revenue	(2,040,513)	(98,506)	(7,450,209)	-	(9,589,228)
Gross Profit (loss)	548,343	325,152	3,508,624	-	4,382,119
Depreciation	(419,539)	-	(560,564)	(5,718)	(985,821)
Share-based compensation	-	-	-	(834,297)	(834,297)
Research and development	-	-	-	(25,754)	(25,754)
Other operating expenses	(1,885,550)	(354,159)	(5,011,875)	(8,009,060)	(15,260,644)
Loss before other items	\$ (1,756,746)	\$ (29,007)	\$ (2,063,815)	\$ (8,874,829)	\$ (12,724,397)
Interest expense	(84,641)	-	(359,917)	(267)	(444,825)
Other items	(969,090)	(142)	(107,012)	(778,636)	(1,854,880)
Net loss from continuing operations	\$ (2,810,477)	\$ (29,149)	\$ (2,530,744)	\$ (9,653,732)	\$ (15,024,102)
Net loss from discontinued operations	-	-	(1,091,825)	-	(1,091,825)
Net Loss	\$ (2,810,477)	\$ (29,149)	\$ (3,622,569)	\$ (9,653,732)	\$ (16,115,927)

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12. OPERATING SEGMENTS (continued)

As at May 31, 2024	Clinical Research Operations		Practitioner Training		Clinic Network		Corporate		Total	
Long term investments and deposits	\$	-	\$	-	\$	82,137	\$	718,614	\$	800,751
Property and equipment		1,214,730		-		5,016,767		14,651		6,246,148
Non-current assets	\$	1,214,730	\$	-	\$	5,098,904	\$	733,265	\$	7,046,899
Total assets	\$	2,271,121	\$	91,134	\$	9,311,120	\$	2,330,699	\$	14,004,074
Total liabilities	\$	1,538,125	\$	111,618	\$	7,534,110	\$	188,510	\$	9,372,363

For the three months ended May 31, 2024, \$217,591 and \$15,145 of depreciation expenses is included in cost of sales for the Clinic Network and Clinical Research Operations respectively (2023 - \$246,145 and \$14,971 respectively).

For the nine months ended May 31, 2024, \$637,742 and \$45,258 of depreciation expenses is included in cost of sales for the Clinic Network and Clinical Research Operations respectively (2023 - \$708,617 and \$44,312 respectively).

For the three and nine months ended May 31, 2024, \$179 and \$8,190 of depreciation expenses have been included in research and development at Corporate (2023 - \$5,740 and \$17,219).

Three months ended May 31, 2023	Clinical Research Operations		Practitioner Training		Clinic Network		Corporate		Total	
Revenue	\$	1,025,343	\$	46,722	\$	4,102,221	\$	-	\$	5,174,286
Cost of revenue		(705,582)		(1,257)		(2,602,220)		-		(3,309,059)
Gross Profit (loss)		319,761		45,465		1,500,001		-		1,865,227
Depreciation		(217,908)		-		(182,673)		(10,370)		(410,951)
Share-based compensation		-		-		-		(345,402)		(345,402)
Research and development		(127,658)		-		-		(139,631)		(267,289)
Other operating expenses		(826,433)		(23)		(2,321,583)		(4,421,162)		(7,569,201)
Loss before other items	\$	(852,238)	\$	45,442	\$	(1,004,255)	\$	(4,916,565)	\$	(6,727,616)
Interest expense		(36,658)		-		(139,925)		(915)		(177,498)
Other items		1,527		-		4,096		(7,005)		(1,382)
Loss before income tax	\$	(887,369)	\$	45,442	\$	(1,140,084)	\$	(4,924,485)	\$	(6,906,496)
Income tax expense (recovery)		-		-		-		(9,385)		(9,385)
Net Income (Loss)	\$	(887,369)	\$	45,442	\$	(1,140,084)	\$	(4,933,870)	\$	(6,915,881)

Nine months ended May 31, 2023	Clinical Research Operations		Practitioner Training		Clinic Network		Corporate		Total	
Revenue	\$	2,322,829	\$	46,721	\$	12,301,155	\$	-	\$	14,670,705
Cost of revenue		(1,259,261)		(1,261)		(7,461,497)		-		(8,722,019)
Gross Profit (loss)		1,063,568		45,460		4,839,658		-		5,948,686
Depreciation		(648,489)		-		(530,023)		(48,246)		(1,226,758)
Share-based compensation		-		-		-		(1,075,171)		(1,075,171)
Transaction costs		-		-		-		(13,573)		(13,573)
Research and development		(426,282)		-		(316)		(541,512)		(968,110)
Other operating expenses		(2,169,706)		(24)		(6,724,101)		(13,584,119)		(22,477,950)
Loss before other items	\$	(2,180,909)	\$	45,436	\$	(2,414,782)	\$	(15,262,621)	\$	(19,812,876)
Interest expense		(116,600)		-		(411,144)		(3,923)		(531,667)
Revaluation of contingent consideration payable		-		-		-		571,728		571,728
Other items		122		-		4,096		29,413		33,631
Loss before income tax	\$	(2,297,387)	\$	45,436	\$	(2,821,830)	\$	(14,665,403)	\$	(19,739,184)
Income tax expense (recovery)		-		-		-		(35,490)		(35,490)
Net Income (Loss)	\$	(2,297,387)	\$	45,436	\$	(2,821,830)	\$	(14,700,893)	\$	(19,774,674)

As at August 31, 2023	Clinical Research Operations		Practitioner Training		Clinic Network		Corporate		Total	
Long term investments and deposits	\$	35,692	\$	-	\$	81,498	\$	2,365,487	\$	2,482,677
Goodwill and other intangible assets		-		-		-		-		-
Property and equipment		2,693,971		-		7,078,332		22,855		9,795,158
Non-current assets	\$	2,729,663	\$	-	\$	7,159,830	\$	2,388,342	\$	12,277,835
Total assets	\$	3,917,523	\$	70,650	\$	9,544,216	\$	10,799,638	\$	24,332,027
Total liabilities	\$	1,954,657	\$	14,510	\$	7,522,633	\$	791,521	\$	10,283,321

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12. OPERATING SEGMENTS (continued)

The following is a summary of the revenues and long-lived assets other than financial instruments of the Company by geographical region and from continuing operations:

Geographical segments	Canada		United States		Total
Non-current assets other than financial instruments					
May 31, 2024	\$	514,433	\$	6,037,826	\$ 6,552,259
August 31, 2023	\$	2,404,955	\$	7,796,285	\$ 10,201,240
Three months ended May 31, 2024					
Revenues	\$	168,830	\$	4,179,951	\$ 4,348,781
Gross profit	\$	133,862	\$	823,954	\$ 957,816
Nine months ended May 31, 2024					
Revenues	\$	423,658	\$	13,547,689	\$ 13,971,347
Gross profit	\$	325,152	\$	4,056,967	\$ 4,382,119
Three months ended, May 31, 2023					
Revenues	\$	46,722	\$	5,127,564	\$ 5,174,286
Gross profit	\$	45,461	\$	1,819,766	\$ 1,865,227
Nine months ended, May 31, 2023					
Revenues	\$	46,722	\$	14,623,983	\$ 14,670,705
Gross profit	\$	45,461	\$	5,903,225	\$ 5,948,686

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13. DISCONTINUED OPERATIONS

On May 7, 2024, the Company announced that it had entered into a strategic agreement with the Canadian Centre for Psychedelic Healing (“Field Trip Health”). Through the arrangement, the Company will earn a portion of the revenue generated from the referral of patients of its discontinued operating segment, the Canadian Clinic Network, to Field Trip Health. Once the arrangement has completed all clinics in the Canadian Clinic Network, Montreal, Toronto, and Vancouver, shall be closed.

The following table discloses a separate statement of loss and comprehensive loss relating to the discontinued operations of the Canadian Clinic Network for the three and nine months ended May 31, 2024 and 2023.

	For the three months ended		For the nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Revenue	\$ 439,374	\$ 852,805	\$ 1,793,917	\$ 2,378,978
Cost of revenue	377,455	637,215	1,346,844	1,764,775
Gross profit	61,919	215,590	447,073	614,203
Expenses				
General and administration	361,089	534,463	1,149,144	1,498,048
Sales and marketing	1,443	22,479	21,423	157,268
Depreciation	9,399	21,244	28,059	45,575
Total expenses	371,931	578,186	1,198,626	1,700,891
Loss before other items	(310,012)	(362,596)	(751,553)	(1,086,688)
Interest expense and other finance cost	(8,759)	(11,280)	(28,123)	(35,443)
Interest and other finance income	35	4	513	4
Other income (expense)	(312,654)	585	(312,654)	(8,824)
Foreign exchange gain (loss)	(8)	-	(8)	-
Loss from operations before taxes	\$ (631,398)	\$ (373,287)	\$ (1,091,825)	\$ (1,130,951)
Income tax expense (recovery)	-	-	-	(12,437)
Net loss and comprehensive loss from discontinued operations	\$ (631,398)	\$ (373,287)	\$ (1,091,825)	\$ (1,143,388)

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14. FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Fair value of financial assets and liabilities

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and

Level 3: Inputs that are not based on observable market data.

The Company's investment in Bienstar (Note 8) is classified as Level 3. The fair value of the Bienstar investment was determined using a market calibration approach. The Company considers investee company performance relative to plan, comparable peer group valuations and general sector conditions and calibrates its valuation of the investment as appropriate.

The contingent consideration payable is included in Level 3, as certain assumptions used in the calculation of the fair value are not based on observable market data. Probability weighted revenues for the two and three years of the earn out is determined based on forecasts and probability factors. The Company has determined that the values of the current and remaining contingent considerations are \$Nil for Mindspace and NCT due to the relevant milestones not being achievable.

	May 31, 2024		August 31, 2023
Contingent Consideration Payable - Opening	\$	-	\$ 621,728
Revaluation of contingent consideration - Mindspace		-	(396,728)
Revaluation of contingent consideration - NCT		-	(225,000)
Total contingent consideration payable - Ending	\$	-	\$ -

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14. FINANCIAL RISK MANAGEMENT (continued)

Financial instrument risk management

The Company's exposures and the impact on its financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, trade and other receivables. The carrying amount of these financial assets represent the maximum credit exposure. Cash and cash equivalents are deposited with major Canadian and US financial institutions, and management believes the exposure to credit risk with respect to these institutions is not significant. The Company is exposed to credit risk inherent in its trade and other receivables which include credit exposures to customers and their outstanding trade and other receivables balances. The maximum credit risk associated with cash and cash equivalents and trade and other receivables is equal to the carrying amount.

Liquidity risk

As at May 31, 2024, the Company's financial liabilities consist of accounts payable and accrued liabilities which have contractual maturities within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. As at May 31, 2024, the Company has cash and cash equivalents of \$3,699,653 to meet its obligations as they become due.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign currency risk through its financial assets and liabilities denominated in US dollars. A 10% appreciation (depreciation) of the US dollar against the Canadian dollar, with all other variables held constant, would result in an approximate change of \$1,615,000 to the Company's comprehensive loss for nine months ended May 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash in accounts with variable interest rates, and currently does not carry variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. As of May 31, 2024, the Company's interest rate risk mainly relates to cash balances and was considered to be minimal.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, to support any business transaction and to safeguard its ability to continue as a going concern. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund its operations. To carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management for the nine months ended May 31, 2024. The Company is not subject to externally imposed capital requirements.

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15. COMMITMENTS AND CONTINGENCIES

Lease obligations

	May 31, 2024		August 31, 2023	
Current portion of lease obligations	\$	1,165,297	\$	1,486,453
Long term portion of lease obligations		4,271,513		5,478,401
Total Lease Obligations ⁽¹⁾	\$	5,436,810	\$	6,964,854

⁽¹⁾ Lease obligations have interest rates between 9%-13% per annum with terms of up to 11 years

Future undiscounted lease payments are as follows:

	Years					Total
	0-1	2-3	4-5	6-10	>10	
Lease Payments	\$1,791,919	\$2,550,496	\$1,914,530	\$682,629	-	\$6,939,574

A continuity of lease obligations is as follows:

	May 31, 2024		August 31, 2023	
Opening balance	\$	6,964,854	\$	7,573,873
Additions		-		797,832
Lease Cancellation		(364,179)		(19,272)
Interest		458,051		716,346
Payments		(1,663,351)		(2,298,563)
Foreign exchange		41,435		194,638
Ending Balance		5,436,810		6,964,854
Less: current portion		(1,165,297)		(1,486,453)
Non-current lease obligation		4,271,513		5,478,401

For the three and nine months ended May 31, 2024, the Company expensed short term lease costs of \$15,191 and \$61,269, respectively (2023 - \$34,999 and \$130,852, respectively). The Company recognized a decrease of \$364,179 (2023 - \$19,272) in its lease obligation due to a lease cancellation recognized during the nine months ended May 31, 2024. The Company recognized a loss of \$300,721 (2023 – loss of \$9,409) arising from this cancellation that has been recognized in other income.

Notice of Claim

The Company was served with a Notice of Claim dated December 23, 2019, which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Claim alleges the wrongful termination of the former CEO/CFO and unpaid termination benefits of \$360,000. The Company believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by the Company with regards to the Notice of Claim.

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Notes to the Condensed Consolidated Interim Financial Statements

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16. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and the president and Chief Executive Officer, president and Chief Operating Officer, and Chief Financial Officer.

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended		For the nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Salaries and benefits	\$ 243,128	\$ 215,280	\$ 728,442	645,841
Director fees	35,000	25,000	85,000	75,000
Share-based compensation	251,658	23,444	498,253	162,577
Total	\$ 529,786	\$ 263,724	\$ 1,311,695	883,418

Trade and other receivables as at May 31, 2024, on the Condensed Consolidated Interim Statements of Financial Position include related party receivables of \$346,304 (August 31, 2023 - \$438,775) relating to the withholding taxes that were remitted by the Company on behalf of RSU holders.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transaction during the nine months ended May 31, 2024 and May 31, 2023 are as follows:

Supplemental cash flow information:	2024	2023
Cash paid for interest	\$ 445,339	\$ 34,081
Non-cash lease addition	-	208,506
Transfer of share-based payment reserve upon exercise of stock options, warrants, and RSUs	-	171,284
Cash paid for income tax	-	-

Cash and cash equivalents is comprised of:	May 31, 2024	August 31, 2023
Cash	\$ 3,584,653	\$ 8,464,535
Cash equivalents	115,000	115,000

18. SUBSEQUENT EVENTS

In June 2024, the Company executed a letter of intent ("LOI") to acquire MedBright AI Investments, Inc. ("MedBright") by way of a statutory plan of arrangement. Under the terms of the LOI, the Company will issue 1.86 common shares of Numinus for each MedBright share, such that it is anticipated that the Company will issue an aggregate of approximately 204,729,372 common shares. The transaction is subject to a number of conditions precedent, including among other things, execution of a definitive arrangement agreement, completion of due diligence, and regulatory and shareholder approval.