Mind Medicine, Inc.

Consolidated Financial Statements

(Expressed in United States Dollars)

For the Period May 30, 2019 (date of incorporation) to December 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mind Medicine, Inc.

Opinion

We have audited the consolidated financial statements of Mind Medicine, Inc., (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations and comprehensive loss, changes in shareholders' equity, and cash flow for the period from May 30, 2019 (date of incorporation) to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the period ended December 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements which indicates that the Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Jakovcic.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
March 30, 2020
Toronto, Ontario

Mind Medicine, Inc.
Consolidated Statement of Financial Position
(Expressed in United States Dollars)
As at December 31, 2019

		December 31, 2019
Assets		
Current		
Cash	**$**	3,016,445
Funds held in trust (Note 4)		3,685,897
Prepaid expenses		34,198
		6,736,540
Non-current assets		
Intangible assets, net (Note 5)		5,225,000
Total assets	**$**	11,961,540
Liabilities		
Current		
Accounts payable and accrued liabilities	**$**	1,961,199
Total liabilities		1,961,199
Shareholders' equity		
Share capital (Note 6)		15,321,772
Warrants (Note 7)		152,783
Deficit		(5,474,214)
Total shareholders' equity		10,000,341
Total liabilities and shareholders' equity	**$**	11,961,540

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 16)

/s/ "Stephen L Hurst"	*/s/ "Brigid Makes"*
Director	Director

Mind Medicine, Inc.
Consolidated Statement of Operations and Comprehensive Loss
(Expressed in United States Dollars)

		For the period May 30, 2019 (date of incorporation) to December 31, 2019
Expenses		
Research and development (Note 10)	$	2,049,044
General and administrative (Note 11)		3,105,170
Amortization (Note 5)		275,000
		5,429,214
Loss before the undernoted items		(5,429,214)
Share-based payments (Note 6(v))		(72,503)
Interest income		11,632
Interest expense		(2,104)
Foreign exchange gain		17,975
Loss before income taxes		**(5,474,214)**
Income taxes (Note 9)		-
Net loss and comprehensive loss for the period	$	(5,474,214)
Basic and diluted loss per common share	$	(0.05)
Weighted average number of common shares outstanding		
Basic and diluted (Note 8)		103,937,872

The accompanying notes are an integral part of these consolidated financial statements

Mind Medicine, Inc.
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in United States Dollars)
For the period May 30, 2019 (date of incorporation) to December 31, 2019

	Share Capital								
	Shares		**Amount**		**Warrants**		**Deficit**		**Total**
Balance, May 30, 2019	-	$	-	$	-	$	-	$	-
Issuance of share capital net of share issuance costs (Notes 6 & 7)	166,490,593		15,321,772		152,783		-		15,474,555
Net loss	-		-		-		(5,474,214)		(5,474,214)
Balance, December 31, 2019	**166,490,593**	**$**	**15,321,772**	**$**	**152,783**	**$**	**(5,474,214)**	**$**	**10,000,341**

The accompanying notes are an integral part of these consolidated financial statements

Mind Medicine, Inc.
Consolidated Statement of Cash Flows
(Expressed in United States Dollars)

		For the period May 30, 2019 (date of incorporation) to December 31, 2019
Cash provided by (used in):		
Operating activities		
Net loss	$	(5,474,214)
Items not affecting cash		
Share-based payments		72,503
Amortization of intangible assets		275,000
Changes in non-cash operating assets and liabilities		
Prepaid expenses		(34,198)
Accounts payable and accrued liabilities		1,961,199
Net cash used in operating activities		(3,199,710)
Financing activities		
Proceeds from issuance of common shares, net of issuance costs (Note 6)		9,902,052
Net cash provided by financing activities		9,902,052
Increase in cash		6,702,342
Cash, beginning of period		-
Cash, end of period	$	6,702,342
Supplemental cash flow Information		
Cash	$	3,016,445
Funds held in trust (Note 4)		3,685,897
	$	6,702,342
Transfer of intangible assets in exchange for issuance of 55,000,000 Class A common shares	$	5,500,000

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Mind Medicine, Inc. (the "Company" or "MindMed") was incorporated under the laws of the state of Delaware, USA on May 30, 2019.

The Company's head office, principal address and address of its registered and records office is 175A, 1325 Airmotive Way, Reno, Nevada, 89502, USA.

On February 27, 2020, the Company completed a reverse takeover transaction with Broadway Gold Mining Ltd. ("Broadway") to form Mind Medicine (MindMed) Inc. (the "Resulting Issuer"). The Company is deemed to be the acquirer in the reverse takeover transaction and therefore the Company's statements are deemed to be those of the Resulting Issuer. Please see Note 16 – Subsequent Events - for more information.

The Company is a neuro-pharmaceutical company that discovers, develops and deploys psychedelic inspired medicines to improve health, promote wellness and alleviate suffering. The Company's immediate priority is to address the opioid crisis by developing a non-hallucinogenic version of the psychedelic ibogaine. The Company is founded on patents and patent applications that include U.S. and worldwide rights for the development of a neuro-transformational molecule known as 18-methoxycoronaridine, or 18-MC. MindMed is now preparing its next-generation medicine for a Phase II FDA clinical trial targeting opioid addiction.

The consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic (note 16). It is likely that the products developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. The Company's future operations are dependent upon its ability to secure additional funds to finance its research and development activities and its clinical studies. If the Company is unsuccessful in obtaining adequate financing in the future the Company will have to consider postponing research activities until market conditions improve. It is not possible to predict whether the Company will be successful in securing new financing or acquire approval from the U.S. Food and Drug Administration and equivalent organization in other countries. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the interpretations of the IFRS Interpretations Committee "IFRIC", effective for the Company's reporting for the period ended December 31, 2019.

These consolidated financial statements were approved for issue by the Board of Directors on March 29, 2020.

2. BASIS OF PRESENTATION (continued)

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

Use of significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

Management has applied significant estimates and assumptions to the following:

Useful life of intangible assets

The Company estimates the useful lives of intangible assets from the date they are available for use in the manner intended by management and periodically reviews the useful lives to reflect management's intent about developing and commercializing the assets.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Management evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Valuation of share-based compensation and warrants

Management measures the costs for share-based compensation and warrants using market-based option valuation techniques. Assumptions are made and estimates are used in applying the valuation techniques. These include estimating the future volatility of the share price, expected dividend yield, expected risk-free interest rate, future employee turnover rates, future exercise behaviours and corporate performance. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates of share-based compensation and warrants.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these consolidated financial statements.

Foreign currency

Transactions in foreign currencies are translated to the functional currency at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange as at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to United States dollars at exchange rates at the reporting date. This income and expenses of foreign operations are translated to United States dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income in the cumulative translation account.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation differences is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation differences.

Subsidiaries

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary: MindMed Pty Ltd. from its date of incorporation on December 5, 2019.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash is deposited with two financial institutions. The Company has classified its cash as amortized cost.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development, including inventory of drug substance.

The costs incurred in establishing and maintaining patents are expensed as incurred.

Intangible assets

Externally acquired intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. The cost of intangible assets acquired through asset acquisitions is their fair value at the acquisition date. These intangible assets are amortized on a straight-line basis over their estimated useful lives and are tested for impairment whenever events or changes indicate that their carrying amount may not be recoverable. Useful lives, residual values and amortization methods for these intangible assets with finite useful lives are reviewed at least annually.

Expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

The significant intangibles recognized by the Company and their useful economic lives are as follows:

Intangible assets	Useful life
18-MC program	10 years

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or cash-generating units. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses for intangible assets are recognized in research and development expenses.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Share Issuance Costs

Professional, consulting, regulatory fees and other costs that are directly attributable to the issuance of shares are charged to capital stock when the related shares are issued, net of any tax effects. Transaction costs of abandoned equity transactions are recognized in the consolidated statement of operations and comprehensive loss.

Share-based payments

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Government assistance

Government assistance relating to research and development is recorded as a reduction of expenses when the related expenditures are incurred.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Investment tax credits earned from scientific research and development expenditures are recorded when collectability is reasonably assured.

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options, warrants, and conversion of preferred shares, if dilutive. The number of additional shares is calculated by assuming that outstanding preferred shares would convert to common shares and that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

Business combinations

At the time of acquisition, the Company determines whether what is acquired meets the definition of a business, in which case if it does, the transaction is considered a business combination, and otherwise it is recorded as an asset acquisition.

For an asset acquisition, the net identifiable assets acquired and liabilities assumed are measured at the fair value of the consideration paid, based on their relative fair values at the acquisition date. Acquisition related costs are included in the consideration paid and capitalized. No goodwill is recorded and no deferred tax asset or liability arising from the assets acquired or liabilities assumed is recognized upon the acquisition of the assets.

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, over the fair value of the Company’s share of the identifiable net assets acquired is recorded as goodwill. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IFRS 9 either in income or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the fair value of the net identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Acquisition costs are expensed as incurred, unless they qualify to be treated as debt issue costs, or as cost of issuing equity securities. The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

IFRS 9 Financial instruments

Financial assets and liabilities, including derivatives, are recorded on the statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification and measurement of financial instruments

The Company measures a financial instrument at its fair value plus, in the case of a financial instrument not at fair value through profit (loss) (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial instrument. Transaction costs of financial instruments carried at fair value through FVTPL are expensed in profit (loss).

Subsequent measurement of financial assets depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in which the Company classifies its financial instruments:

Amortized cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Finance income from these financial instruments is recorded in net income (loss) using the effective interest rate method.

Fair value through other comprehensive income (“FVOCI”): Financial instruments that are held for collection of contractual cash flows and for selling the financial instruments, where the financial instruments’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in net income (loss). When the financial instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to net income (loss).

FVTPL: Financial instruments that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a financial instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in net income (loss) and presented net in comprehensive income (loss) in the period in which it arises.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 financial instruments (continued)

Financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. Financial liabilities are subsequently measured as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as FVTPL if eligible.

On December 31, 2019 the financial instruments of the Company were as follows:

	Basis
Financial Assets	
Cash	Amortized cost
Funds held in trust	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost

Impairment of financial assets

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss (“ECL”) model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of Statement of Financial Position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company’s assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in United States Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, with certain exemptions. The standard includes two recognition exemptions for lessees – leases of “low-value” assets and short-term leases with a lease term of 12 months or less. The Company has adopted a monthly rental amount of $2,000 for the low-value asset exemption. At the commencement date of lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees are also required to remeasure the lease liability upon the occurrence of certain events such as a change in lease term. The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

4. FUNDS HELD IN TRUST

Cash held in trust of $3,685,897 represents unrestricted funds held at a Canadian chartered bank by the Company’s corporate counsel, representing proceeds from closed private placements less disbursements directed by the Company.

5. INTANGIBLE ASSETS

		December 31, 2019
Cost		
Balance, May 30, 2019	$	-
Acquisition of 18-MC program		**5,500,000**
Balance, December 31, 2019	$	**5,500,000**
Accumulated amortization		
Balance, May 30, 2019		-
Amortization		**275,000**
Balance, December 31, 2019		**275,000**
Net carrying amount		
December 31, 2019	**$**	**5,225,000**

In July 2019, the Company acquired the assets of the 18-methyloxycoronaridine (“18-MC”) program from Savant Addiction Medicine, LLC in exchange for the issuance by the Company of 55,000,000 class A common shares. The shares were valued using third party arm’s-length purchases of the Company’s class C shares at the time of acquisition of 18-MC which were issued at $0.10 per share.

6. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of 655,000,000 shares of common stock, consisting of four series of stock within such class of common stock:

(a) 355,000,000 Class A voting common stock, $0.0001 par value per share (the "Class A Common Stock"),

(b) 50,000,000 Class B voting common stock, $0.0001 par value per share (the "Class B Common Stock"),

(c) 50,000,000 Class C non-voting common stock, $0.0001 par value per share (the "Class C Shares"), and

(d) 200,000,000 Class D non-voting common stock, $0.0001 par value per share (the "Class D Shares").

The holder of Class A Common Stock is entitled to one vote for each share of Class A Common Stock held. The holders of Class B Common Stock are entitled to a number of votes for each share of Class B Common Stock equal to the quotient of (i) 13,750,000 divided by (ii) the number of shares of Class B Common Stock issued and outstanding at the close of business on the applicable record date. The holders of Class C and Class D Common Stock are not entitled to a vote.

Election of directors

The holders of a majority of the outstanding shares of Class A Common Stock, voting as a separate class, shall be entitled to elect two members of the Company's board of directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors. The holders of a majority of the outstanding shares of Class B Common Stock, voting as a separate class, shall be entitled to elect two members of the Company's board of directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors. The holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, voting together as a single class, shall be entitled to elect one member of the Company's board of directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors.

Automatic conversion

Concurrent with the completion of a reverse takeover transaction between the Company and an entity listed on a Canadian securities exchange, each Class C Share, each Class D Share and each share of Class B Common Stock shall automatically convert into one fully-paid, nonassessable share of Voting Class A Common Stock.

(Expressed in United States Dollars)

6. SHARE CAPITAL (continued)

Share capital issued

Class of shares	Number of shares issued	Amount
A (i)	55,000,000	$ 5,500,000
B (ii)	35,000,000	3,500
C (iii)	46,993,671	4,614,367
D (iv)	10,000,000	1,000,000
D (v)	725,025	72,503
D (vi)	18,771,897	4,131,402
	166,490,593	**$ 15,321,772**

(i) In July 2019, the Company issued 55,000,000 Class A shares to Savant Addiction Medicine, LLC for the acquisition of its 18-MC program. The shares were valued using third party arm's-length purchases of the Company's Class C shares at the time of acquisition of 18-MC which were issued at $0.10 per share.

(ii) In July 2019, the Company issued 35,000,000 Class B shares at a price of $0.0001 per share yielding gross proceeds of $3,500.

(iii) In September 2019, the Company completed a non-brokered private placement financing and sold 46,993,671 Class C shares at a price of $0.10 per share yielding gross proceeds of $4,699,367 before deducting share issuance costs of $85,000.

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

(v) On September 16, 2019, the Company entered into an agreement with a director of the Company pursuant to which the director agreed to: (i) join the MindMed board of directors, (ii) receive a loan (the "Loan") of $500,000 for the sole purpose of acquiring 5,000,000 MindMed Class D shares, and (iii) purchase 5,000,000 MindMed Class D shares for $500,000.

- The Loan is secured by the MindMed Class D shares, which is the sole security and recourse against the director. One-quarter of the Loan ($125,000) shall be automatically deemed to be repaid and satisfied on each six-month anniversary of the date of the Loan (the "Repayment Date").

- If the director ceases to be a member of the board of directors of the Company, the relevant portion of the Loan shall be automatically deemed to be repaid and satisfied on the date immediately prior to the date on with the director ceased to be a member of the board of directors of the Company.

- If the Borrower ceases to be a member of the board of directors of the Company, other than as a result of his disqualification under applicable corporate law or his resignation, the Loan shall be automatically deemed to be repaid and satisfied in full and the director shall be fully and finally released from his obligations under the Loan.

(Expressed in United States Dollars)

6. SHARE CAPITAL (continued)

Share capital issued (continued)

(v) (continued)

- The principal remaining from time to time unpaid and outstanding shall bear interest, before and after an event of default at 2% per annum calculated monthly, not in advance. Accrued and unpaid interest shall be payable on each Repayment Date. The director has the right and privilege of prepaying the whole or any portion of the principal amount of the Loan at any time or times prior to maturity or an event of default has occurred, whichever comes first, without notice, bonus or penalty. All such prepayments shall be applied first in satisfaction of any accrued but unpaid interest and thereafter to the outstanding principal amount of the Loan.

The Loan has been accounted for as an option plan since the Company does not have full recourse to the outstanding loan balance. In the event the director ceases to be a member of the board of directors of the Company, the Class D shares would be tendered back to the Company without any payment being made. As a result, the Company has not recognized a loan receivable or the corresponding Class D common shares as outstanding. The Company has estimated a grant-date fair value, which is recorded as share-based compensation expense over a two-year vesting period with a corresponding amount to share capital. The fair value has been estimated using the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%, (ii) expected volatility of 151%, (iii) risk-free rate of 1.74%, (iv) share price of $0.10, (v) forfeiture rate of 0%, and (vi) expected life of 24 months. The total grant-date fair value is $500,000. The resulting share-based compensation for the period from September 16, 2019 to December 31, 2019 is $72,503.

Although the 5,000,000 Class D shares were issued to the director, only the portion that has vested, represented by the cumulative amount of share-based compensation recognized (725,025 shares), is reflected in the number of Class D shares issued and related share capital balance.

(vi) On December 19, 2019, MindMed entered into an agency agreement with Canaccord Genuity Corp. and completed the first tranche of the MindMed December Offering, issuing a total of 18,771,897 MindMed Class D Shares at a price of C$0.33 ($0.25) per share for gross proceeds of $4,727,106, before deducting cash share issuance costs of $442,921. On closing of the first tranche, MindMed issued Canaccord Genuity Corp., as agent, 1,314,033 Compensation warrants (note 7).

7. WARRANTS

	Number of Warrants	Amount	Weighted Average Exercise Price
Balance, May 30, 2019	**-**	**$ -**	**$ -**
Issued	**1,314,033**	**152,783**	**0.33 CAD**
Exercised	**-**	**-**	**-**
Expired	**-**	**-**	**-**
Balance, December 31, 2019	**1,314,033**	**$ 152,783**	**$ 0.33 CAD**

The Company issued 1,314,033 compensation warrants in relation to the completion of a private placement which took place on December 19, 2019. The warrants have an expiry date of 12 months after the completion of a going public event. Each warrant entitles the holder to purchase one common share at $0.33 CAD per share until the expiry date.

(Expressed in United States Dollars)

7. WARRANTS (continued)

The fair value has been estimated using the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%, (ii) expected volatility of 124%, (iii) risk-free rate of 1.69%, (iv) share price of $0.33 CAD, (v) forfeiture rate of 0%, and (vi) expected life of 1.2 years.

8. LOSS PER SHARE

The weighted average number of common shares outstanding for the period from May 30, 2019 (date of incorporation) to December 31, 2019 was 103,937,872. The Company has not adjusted its weighted average number of common shares outstanding in the calculation of diluted loss per share, as there are no warrants or options outstanding that would give rise to dilution.

9. INCOME TAXES

Income taxes recoverable have not been recognized in the consolidated statement of operations and comprehensive loss, as the Company has been incurring losses since inception, and it is not probable that future taxable profits will be available against which the accumulated tax losses can be utilized.

Unrecognized deferred tax assets

As at December 31, 2019, deferred tax assets have not been recognized with respect to the following items:

		December 31, 2019
Non-capital losses	$	**3,219,638**
Accounting basis of intangible assets in excess of tax basis		**91,667**
Scientific research and experimental development expenditures		**2,049,044**
Accrued professional fees		**30,795**
Stock-based compensation		**72,503**
	$	**5,463,647**

As at December 31, 2019, the Company had available research and development expenditures of approximately $2,049,044 for income tax purposes, which may be carried forward indefinitely to reduce future years' taxable income.

The reconciliation of the United States statutory income tax rate applied to the net loss for the period to the income tax expense is as follows:

		December 31, 2019
Loss before income taxes	$	**(5,474,214)**
Statutory income tax rate		**27.873%**
Income tax recovery based on statutory income tax rate		**(1,525,828)**
Non-deductible meal expenses		**3,018**
Deferred tax asset not recognized		**1,522,810**
	$	**-**

(Expressed in United States Dollars)

10. RESEARCH AND DEVELOPMENT

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

		December 31, 2019
Consulting fees and short-term benefits		**801,221**
Licensing fees		**727,164**
Manufacturing costs		**332,825**
Clinical research and regulatory expenses		**114,699**
Other		**73,135**
	$	**2,049,044**

11. GENERAL AND ADMINISTRATIVE

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

		December 31, 2019
Consulting fees, short-term benefits and other compensation		**1,173,538**
Legal fees		**1,045,048**
Accounting and audit		**312,105**
Marketing		**185,271**
Travel		**154,965**
Other		**234,243**
	$	**3,105,170**

12. COMMITMENTS AND CONTINGENCIES

As at December 31, 2019, the Company has obligations to make future payments, representing significant research and development contracts and other commitments that are known and committed in the amount of approximately $516,462. Most of these agreements are cancelable by the Company with notice. These commitments include agreements related to the conduct of the phase 1 clinical trials, sponsored research, manufacturing and preclinical studies. The Company also has minimum lease payments for operating lease commitments, primarily for its office lease, in the amount of $7,520 over the next 12 months, $9,060 from 12 to 36 months, and nothing thereafter. The facility lease contains options for lease extension. As these are considered “low-value” assets by the Company, they have not been capitalized.

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

(Expressed in United States Dollars)

12. COMMITMENTS AND CONTINGENCIES (continued)

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

13. RELATED PARTY TRANSACTIONS

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

Compensation for key management personnel of the Company for the period ended December 31, 2019 was as follows:

		December 31, 2019
Consulting fees, short-term benefits and other compensation	$	**1,064,445**

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

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

The Directors do not receive fees for their services.

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

14. MANAGEMENT OF CAPITAL

The Company defines its capital as share capital, warrants and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

Fair value

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

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

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

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

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

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

Risks

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

(a) Credit risk

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

(b) Liquidity risk

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

15. FINANCIAL INSTRUMENTS (continued)

Risks (continued)

(c) Interest rate risk

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

(d) Currency risk

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

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

16. SUBSEQUENT EVENTS

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

The arrangement

Name Change, Consolidation and Change in Share Classes

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

16. SUBSEQUENT EVENTS (continued)

Merger of the Company and Delaware Subco

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

Concurrent financings

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

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

Neo exchange listing

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

16. SUBSEQUENT EVENTS (continued)

Novel Coronavirus

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