

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: Novamind Inc. (the “Issuer”).

Trading Symbol: NM

Issued and Outstanding Securities of the Issuer Prior to Transaction: 48,027,162 (as at April 11, 2022)

Date of News Release Fully Disclosing the Transaction: April 12, 2022

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On April 12, 2022, the Issuer and Numinus Wellness Inc. (“Numinus”) jointly announced the entering into of an Arrangement Agreement between the Issuer and Numinus dated April 11, 2022 (the “Arrangement Agreement”), pursuant to which Numinus will acquire all of the issued and outstanding common shares of the Issuer (the “Novamind Shares”) by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* (the “Transaction”).

Under the Transaction, each holder of Novamind Shares (a “Novamind Shareholder”) will receive 0.84 (the “Exchange Ratio”) of a common share in the capital of Numinus (a “Numinus Share”) for each Novamind Share held. The Numinus are listed on the Toronto Stock Exchange under the symbol “NUMI”.

The Exchange Ratio implies an offer value of \$0.44 per Novamind Share, which represents a premium of approximately 51% to the Issuer’s 20-day volume-weighted average price on the Canadian Securities Exchange as of

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

April 8, 2022. After giving effect to the Transaction, Novamind Shareholders will hold approximately 23% of the pro-forma company (on a fully diluted in-the-money basis).

Under the Arrangement Agreement, holders of incentive stock options (“**Novamind Options**”) and restricted share units (“**Novamind RSUs**”) of the Issuer will receive the following consideration on completion of the Transaction: (i) each holder of Novamind Options, whether vested or unvested, will receive a fully vested option to purchase from Numinus such number of Numinus Shares equal to (A) that number of Novamind Shares that were issuable upon exercise of such Novamind Option immediately prior to the completion of the Transaction, multiplied by (B) the Exchange Ratio, rounded to the nearest whole number of Numinus Shares, at an exercise price per Numinus Share equal to the quotient determined by dividing: (X) the exercise price per Novamind Share at which such Novamind Option was exercisable immediately prior to the Transaction, by (Y) the Exchange Ratio, rounded to the nearest whole cent, subject to any withholding or deductions implemented in accordance with the Arrangement Agreement; and (ii) each Novamind RSU shall immediately and unconditionally vest and the Novamind RSU holder thereof shall receive the number of Novamind Shares equal to the number of Novamind Shares such holder is entitled to under each Novamind RSU, subject to any withholding or deductions implemented in accordance with the Arrangement Agreement.

Completion of the Transaction is subject to a number of conditions, including the approval by the Supreme Court of British Columbia and the approval of: (i) at least 66 2/3% of the votes cast by Novamind Shareholders who vote (in person or by proxy) at a special meeting of Novamind Shareholders that will be called to approve the Transaction (the “**Meeting**”); (ii) a majority of the votes cast by the Novamind Shareholders who vote (in person or by proxy) at the Meeting, excluding for this purpose the votes attached to Novamind Shares held by persons described in items (a) to (d) of Section 8.1(2) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, if required; and (iii) a majority of the votes cast by the shareholders of Numinus (“**Numinus Shareholders**”) who vote (in person or by proxy) at a special meeting of Numinus Shareholders that will be called to approve the Numinus Shares issuable under the Transaction. Completion of the Transaction is also subject to the satisfaction of certain customary conditions set forth in the Arrangement Agreement, including approval of the Toronto Stock Exchange and that Novamind Shareholders will not have exercised their dissent rights in connection with the Transaction with respect to more than 5% of the Novamind Shares. Assuming the timely receipt of required shareholder and regulatory approvals, and the satisfaction or waiver

of the other conditions to closing set forth in the Arrangement Agreement, the Transaction is expected to close in June 2022.

The Arrangement Agreement contains customary representations and warranties made by the Issuer and also contains customary covenants, including, among others, agreement by the Issuer to conduct its business in the ordinary course consistent with past practice and subject to certain exceptions detailed in the Arrangement Agreement during the period between the execution of the Arrangement Agreement and the earlier of the termination of the Arrangement Agreement in accordance with its terms and the effective date of the Transaction, and to not engage in certain types of transactions or take certain actions during this period unless consented to in writing by Numinus or as required or contemplated by the Arrangement Agreement.

The Arrangement Agreement provides for termination fees of \$1,000,000 payable by the Issuer to Numinus in the event the Transaction is terminated under certain circumstances. In addition, the Arrangement Agreement contains an expense reimbursement fee of up to \$600,000 payable by one party to the other party if the Transaction is terminated in certain circumstances.

Board Recommendation

The board of directors of Novamind (the “**Board**”), based on the unanimous recommendation of a special committee (the “**Special Committee**”) of independent directors of the Issuer and after consultation with its legal and financial advisors, has unanimously approved the Transaction and determined that it is in the best interests of the Issuer and is fair to the Novamind Shareholders.

Director and Executive Officer Support of the Transaction

Certain of the directors and executive officers of the Issuer who hold in the aggregate approximately 29% of the issued and outstanding Novamind Shares have executed voting and support agreements (collectively, the “**Support Agreements**”) with Numinus pursuant to which they have agreed, among other things, to support the Transaction and vote their Novamind Shares in favour of the Transaction. The Support Agreements will terminate if, among other things, the Arrangement Agreement is terminated. Certain officers and directors of the Issuer have also entered into lock-up agreements (collectively, the “**Lock-Up Agreements**”), pursuant to which the Numinus Shares to be issued to them upon closing of the Transaction will be subject to contractual resale restrictions whereby one-third of such Numinus Shares will

be released every six months commencing six months following closing of the Transaction.

Shareholder Meeting

Further information regarding the Transaction will be contained in an information circular that the Issuer will prepare and mail to the Novamind Shareholders in connection with the Meeting, which is expected to be held in June 2022. A copy of the Issuer's information circular will be filed under the Issuer's profile on SEDAR at www.sedar.com.

Further details regarding the terms of the Transaction are set out in the Arrangement Agreement. The foregoing description of the Arrangement Agreement, the Support Agreements and the Lock-Up Agreements and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Arrangement Agreement, the Support Agreements and the Lock-Up Agreements, respectively, a copy of each of which is available under the Issuer's profile on SEDAR at www.sedar.com.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: N/A.
 - (b) Cash: N/A .
 - (c) Other: Shareholders of the Issuer will receive 0.84 of a Numinus Share for every one Novamind Share held.
 - (d) Work commitments: N/A .
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The terms of the Arrangement Agreement were determined by arm's-length negotiations between the parties, overseen by the Special Committee with reference to the Fairness Opinion (defined below).

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

Clarus Securities Inc. (“Clarus”) has provided a fairness opinion (the “Fairness Opinion”) to the Special Committee to the effect that, as of the date of such opinion, the consideration to be received pursuant to the Arrangement Agreement is fair, from a financial point of view, to the Novamind Shareholders, subject to the assumptions, qualifications and limitations set forth in such opinion.

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A .
6. Provide the following information for any agent’s fee, commission, bonus or finder’s fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

Clarus Securities Inc., Exchange Tower, 130 King St. West, Suite 3640, P.O. Box 38, Toronto ON M5X 1A9.

- (b) Cash

Clarus is entitled to a \$85,000 cash fee in connection with the preparation and delivery of the Fairness Opinion .

- (c) Other _____ .

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A.

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: N/A.

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated April 28, 2022.

Yaron Conforti

Name of Director or Senior
Officer

(signed) "Yaron Conforti"

Signature

Chief Executive Officer

Official Capacity