AI/ML INNOVATIONS INC

Condensed Consolidated Interim Financial Statements

For the three and nine months ended January 31, 2025 and 2024

(*Unaudited - Expressed in Canadian Dollars, unless otherwise noted*)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of AI/ML Innovations Inc. for the three and nine months ended January 31, 2025 and 2024, have been prepared by the management of the Company and approved by the Company's Board of Directors.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an auditor.

AI/ML Innovations Inc.
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at:	Notes		January 31, 2025		April 30, 2024
ASSETS					
Current assets					
Cash and cash equivalents		$	1,856,374	$	201,452
Marketable securities	7		4,300		15,408
Receivables			14,446		21,087
Sales tax credit receivable			174,234		50,995
Prepaid expenses			42,662		37,892
Inventory			2,854		2,854
Total current assets		**$**	**2,094,870**	**$**	**329,688**
Non-current assets					
Right-of-use assets	8		74,738		-
Intangible asset	9,10		1,186,761		-
Total assets		**$**	**3,356,369**	**$**	**329,688**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	11		446,871		541,207
Loans and borrowings	12		129,220		129,220
Due to related party	13		109,959		869,228
Lease liabilities	8		29,684		-
Payroll liabilities			11,535		-
Total current liabilities		**$**	**727,269**	**$**	**1,539,655**
Non-current liabilities					
Lease liabilities	8		44,266		-
Total liabilities		**$**	**771,535**	**$**	**1,539,655**
SHAREHOLDERS' DEFICIENCY					
Share capital	14		30,927,424		27,118,501
Contributed surplus	14,15		8,573,231		6,517,045
Deficit			(36,879,022)		(34,807,122)
Shareholders' deficiency attributable to the shareholders of the Company		**$**	**2,621,633**	**$**	**(1,171,576)**
Non-controlling interest			(36,799)		(38,391)
Total shareholders' deficiency			**2,584,834**		**(1,209,967)**
Total shareholders' deficiency and liabilities		**$**	**3,356,369**	**$**	**329,688**

Nature of operations (Note 1)

Approved by the Board of Directors on March 31, 2025:

“Paul Duffy”
Director

“Drew Dundas”
Director

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

AI/ML Innovations Inc.
Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes		Three months ended January 31, 2025		Three months ended January 31, 2024		Nine months ended January 31, 2025		Nine months ended January 31, 2024
Revenue									
Goods			-		9,546		-		15,883
License fee	13		42,796		40,517		124,897		121,103
Services			-		126,602		-		386,834
Total revenues		$	**42,796**	$	**176,665**	$	**124,897**	$	**523,820**
Cost of sales			(1,005)		(68,072)		(4,161)		(269,158)
Gross profit (loss)		$	**41,791**	$	**108,593**		**120,736**		**254,662**
Operating expenses									
Marketing and shareholder relations			84,551		87,280		196,004		230,507
Consulting expense			133,846		152,228		657,923		286,546
Business development			31,577		-		31,577		-
Depreciation	8		7,732		10,513		18,040		31,539
Office and administration			78,341		20,802		178,444		56,963
Management and director fees	13		302,640		39,716		970,170		113,846
Professional fees			87,333		74,583		425,782		202,239
Research and development			143,090		39,935		150,470		132,207
Rent expense			6,009		7,266		20,687		20,616
Salaries, wages, and benefits	13		59,445		85,257		116,968		266,712
Share-based compensation	15		151,960		(1,074)		174,043		18,526
Travel			28,785		727		54,331		5,814
Transfer agent, regulatory, and filing fees			18,343		14,288		62,770		54,266
Total operating expenses		$	**(1,133,652)**	$	**(531,521)**	$	**(3,057,209)**	$	**(1,419,781)**
Operating loss		$	**(1,091,861)**	$	**(422,928)**	$	**(2,936,473)**	$	**(1,165,119)**
Other income (expenses)									
Foreign exchange gain (loss)			(4,207)		(773)		4,316		(6,716)
Grant income			49,828		-		110,586		-
Interest expense			(5,187)		(10,380)		(18,954)		(35,269)
Interest income			34		-		543		-
Other income			437		10,000		437		10,000
Correction of accounts payable			-		-		-		(5,250)
Share of loss on investment in associate			-		(24,031)		-		(67,730)
Gain (loss) on settlement of debt	13,14		-		(66,912)		747,353		(66,912)
Unrealized foreign exchange gain (loss)			131		-		-		-
Unrealized loss on marketable securities	7		(2,150)		-		(11,108)		(1,791)
Total other income (expenses)		$	**38,886**	$	**(92,096)**	$	**833,173**	$	**(173,668)**
Net loss and comprehensive loss		$	**(1,052,975)**	$	**(515,024)**	$	**(2,103,300)**	$	**(1,338,787)**
Net income (loss) and comprehensive income (loss) for the period attributed to:									
Shareholders of the Company			(1,053,732)		(514,599)		(2,104,892)		(1,334,749)
Non-controlling interest			757		(425)		1,592		(4,038)
		$	**(1,052,975)**	$	**(515,024)**	$	**(2,103,300)**	$	**(1,338,787)**
Basic and diluted loss per common share		$	**(0.01)**	$	**(0.01)**		**(0.02)**		**(0.02)**
Weighted average number of common shares outstanding - basic and diluted			160,457,324		69,551,388		120,447,772		61,039,224

AI/ML Innovations Inc.
Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Contributed surplus		Deficit		Total attributed to shareholders of the Company		Non-controlling interest		Total
Balance - April 30, 2023	**25,794,801**	**$**	**5,697,185**	**$**	**(31,739,445)**	**$**	**(247,459)**	**$**	**(32,828)**	**$**	**(280,287)**
Common shares issued on private placement of Units (Note 14)	2,209,234		-		-		2,209,234		-		2,209,234
Common shares issued on exercise of warrants (Note 14)	122,500		-		-		122,500		-		122,500
Share issuance costs (Note 14)	(184,610)		85,660		-		(98,950)		-		(98,950)
Shares issued for services	73,524		-		-		73,524		-		73,524
Share-based payments (Note 15)	-		18,526		-		18,526		-		18,526
Expiration or cancellation of stock options	-		(217,188)		217,188		-		-		-
Net loss and comprehensive loss	-		-		(1,334,750)		(1,334,750)		(4,037)		(1,338,787)
Balance - January 31, 2024	**28,015,449**	**$**	**5,584,183**	**$**	**(32,857,007)**	**$**	**742,625**	**$**	**(36,865)**	**$**	**705,760**
Balance - April 30, 2024	**27,118,501**	**$**	**6,517,045**	**$**	**(34,807,122)**	**$**	**(1,171,576)**	**$**	**(38,391)**	**$**	**(1,209,967)**
Common shares issued on private placement of Units (Note 14)	2,456,806		1,779,234		-		4,236,040		-		4,236,040
Common shares issued on exercise of warrants (Note 14)	148,243		(26,470)		-		121,773		-		121,773
Share issuance costs (Note 14)	(379,409)		160,779		-		(218,630)		-		(218,630)
Common shares issued to acquire intangible assets (Note 9,10)	1,152,000		-		-		1,152,000		-		1,152,000
Common shares issued for services (Note 13)	350,100		-		-		350,100		-		350,100
Common shares issued to settle debt (Note 14)	81,183		-		-		81,183		-		81,183
Expiration or cancellation of stock options	-		(31,400)		31,400		-		-		-
Share-based payments (Note 15)	-		174,043		-		174,043		-		174,043
Net loss and comprehensive loss	-		-		(2,103,300)		(2,103,300)		1,592		(2,101,708)
Balance - January 31, 2025	**30,927,424**	**$**	**8,573,231**	**$**	**(36,879,022)**	**$**	**2,621,633**	**$**	**(36,799)**	**$**	**2,584,834**

AI/ML Innovations Inc.
Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended:		January 31, 2025		January 31, 2024
OPERATING ACTIVITIES				
Net loss for the period	**$**	**(2,103,300)**	**$**	**(1,338,787)**
Non-cash items:				
Interest expense		4,197		35,269
Depreciation		18,040		31,539
Foreign exchange gain (loss)		(4,316)		6,716
Loss on settlement of debt		-		66,912
Other income		-		(10,000)
Share of loss on equity investment		-		67,730
Shares for service		-		73,524
Share-based compensation		174,043		18,526
Correction of accounts payable		-		5,250
Unrealized loss on marketable securities		11,108		1,791
Unrealized foreign exchange gain (loss)		92		-
Gain (loss) on settlement of debt		(756,845)		-
Net income attributable to non-controlling interest		1,592		-
Changes in non-cash working capital items:				
Accounts receivable		6,641		-
Sales tax receivable		(123,239)		(2,529)
Prepaid expenses		(4,770)		25,895
Inventory		-		(512)
Accounts payable and accrued liabilities		306,410		(330,018)
Due to related party		67,606		3,468
Payroll liabilities		11,535		-
Cash flows used in operating activities	**$**	**(2,391,206)**	**$**	**(1,345,226)**
INVESTING ACTIVITIES				
Investment in Tech2Heal	$	-	$	(325,980)
Net cash used in investing activities	**$**	**-**	**$**	**(325,980)**
FINANCING ACTIVITIES				
Loan repayment		-		(30,000)
Lease payments		(23,026)		(42,196)
Proceeds from exercise of warrants		121,774		122,500
Proceeds from private placement		4,236,040		2,209,234
Share issuance costs		(218,630)		(98,950)
Advance from related party		24,360		-
Repayment of due to related party balances		(94,390)		-
Net cash provided by financing activities	**$**	**4,046,128**	**$**	**2,160,588**
Increase in cash and cash equivalents during the period	**$**	**1,654,922**	**$**	**489,382**
Cash and cash equivalents, beginning of period	**$**	**201,452**	**$**	**4,530**
Cash and cash equivalents, end of period	**$**	**1,856,374**	**$**	**493,912**

Supplemental cash flow information (Note 17)

1. Nature of Operations

AI/ML Innovations Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act and having its registered and records office at 850 – 2nd Street SW, 15th Floor, Bankers Court, Calgary, Alberta, T2P 0R8 and head office at Suite 203, 645 Fort Street, Victoria, BC, V8W 1G2.

In December 2020, the Company completed a share purchase agreement with Health Gauge Inc. ("Health Gauge"), which is a private technology company based in Edmonton, Alberta. Health Gauge holds the rights to intellectual property in the area of wearable technologies, and the application and methods associated with the applied AI/ML (artificial intelligence/machine learning) software using accelerometers, ECG (electrocardiogram), PPG (photoplethysmogram – used to measure blood volume changes in tissue), and other forms of physiological sensors to measure heart rate, heart rate variability, pulse oximetry, pulse wave velocity, pulse transit time, blood pressure, and activity. Health Gauge's intellectual property also includes proprietary methods and IP relating to behavioral tagging for the purposes of psychometric analysis.

These condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At January 31, 2025, the Company had an accumulated deficit of $36,879,022 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The Interim Financial Statements of the Company as at and for the three and nine months ended January 31, 2025, including comparative information have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in IAS 34 Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented. These Interim Financial Statements do not include all the disclosures required for a complete set of IFRS financial statements. Accordingly, they should be read in conjunction with the last audited annual financial statements and notes thereto for the year ended April 30, 2024 ("annual financial statements"). Selected explanatory notes are included in the Interim Financial Statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors on March 31, 2025.

Basis of Presentation

These Interim Financial Statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (”IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

These Interim Financial Statements have been prepared on a historical cost basis. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

The Interim Financial Statements of the Company are presented in Canadian dollars, unless otherwise indicated, the reporting currency of the Company.

Basis of Consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in these condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

The entities contained in the Interim Financial Statements are as follows:

Entity Name	Place of business and operations	Functional currency	Equity percentage
AI/ML Innovations Inc. (the “Company”) - parent	Canada	CAD	n/a
Health Gauge Inc. (“Health Gauge”)	Canada	CAD	98.56
AI RX Inc.(“AIRX”)	Canada	CAD	70%
NeuralCloud Solutions Inc.(“NeuralCloud”)	Canada	CAD	100%
Quantum Sciences Ltd. (“Quantum”	Canada	CAD	100%

3. Accounting Policy Information

Accounting policies applied to these Interim Financial Statements are the same as those applied and disclosed in Note 2 of the Company’s audited annual financial statements for the year ended April 30, 2024.

4. Use of Judgements and Estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. Accounting judgements, estimates and assumptions applied to these Interim Financial Statements are consistent with those applied to the Company’s audited financial statements for the year ended April 30, 2024 except for:

(Unaudited - Expressed in Canadian Dollars)

Business Combination vs. Asset Acquisition
The Company applies judgement in determining whether the acquisition of arms-length entities constitute a business combination or an asset acquisition. The assessment of whether the transaction should be accounted for as a business combination or asset acquisition has significant impact to the initial measurement and valuation of net assets acquired.

5. Health Gauge Inc. Acquisition

During the year ended April 30, 2023, the Company acquired an additional 28.5647% interest in Health Gauge by issuing 1,712,808 performance warrants which are exercisable into 1,712,808 common shares, free of cost, if Health Gauge generated $526,250 of revenue from designated contracts by October 15, 2023. Of the 1,712,808 warrants 1,272,114 were issued to individuals who are also key management personnel of the Company. During the year ended April 30, 2024, the warrants had expired since the Company was not able to meet the revenue target by the agreed upon date. The fair value of the performance warrants was estimated using the Black-Scholes option pricing model on the following assumptions: forfeiture rate of 0% as management expects the revenue target to be achieved, dividend yield of 0%; annual volatility 144%; risk-free interest rate of 3.89%; and an expected life of 0.9 years. As at January 31, 2025, the Company's ownership interest in Health Gauge was 98.5647%.

Summary statement of financial position of Health Gauge is as follows:

		January 31, 2025		April 30, 2024
Cash (cash indebtedness)	**$**	40,049	**$**	42,277
Other current assets		24,423		37,201
Non-current assets		-		-
Total assets	**$**	**64,472**	**$**	**79,478**
Current liabilities	$	(46,563)	$	(246,086)
Non-current liabilities		(2,576,952)		(3,479,455)
Net assets (liabilities)	**$**	**(2,559,043)**	**$**	**(3,646,063)**

Summary statement of loss of Health Gauge for the nine months ended January 31, 2025 and the year ended April 30, 2024:

		Nine months ended January 31, 2025		For the year ended April 30, 2024
Income (Loss) from operations attributable to shareholders of the Company				
Shareholders of the Company	**$**	109,314	**$**	(387,606)
Non-controlling interest		1,592		(5,563)
Net income (loss) and comprehensive income (loss)	**$**	**110,906**	**$**	**(393,169)**

Summary statement of cash flow of Health Gauge for the nine months ended January 31, 2025 and the year ended April 30, 2024:

		Nine months ended January 31, 2025		For the year ended April 30, 2024
Net cash used in operating activities	**$**	3,929	**$**	(385,778)
Net cash provided by financing activities	**$**	20,366	**$**	428,452
Net change in cash	$	24,295	$	42,674
Cash (cash indebtedness), beginning of period/year	$	15,756	$	(397)
Cash (cash indebtedness), end of period/year	$	**40,051**	$	**42,277**

(Unaudited - Expressed in Canadian Dollars)

6. Investment in Associate

On September 22, 2021, the Company entered into a share purchase agreement with Tech2Heal SAS ("Tech2Heal"), an arm's length, private technology company based in Paris, France, to acquire a 22.22% interest in Tech2Heal's common shares equity in consideration of €2,000,000 as follows:

	Percentage Interest (%)
€750,000 ($1,086,975) upon closing of the transaction (paid)	8.333% (acquired)
€250,000 on or before March 23, 2022 (paid)	2.778% (acquired)
€500,000 on or before September 23, 2022	5.555%
€500,000 on or before March 23, 2023	5.555%
€2,000,000	22.22%

As at January 31, 2025, the Company had an 11.11% (April 30, 2024 – 11.11%) interest in Tech2Heal, a company engaged in developing health-based technology. As a result of the Company holding a seat on the Board it was determined that the Company exercises significant influence over Tech2Heal and has accounted for its investment in Tech2Heal using the equity method. At April 30, 2024, the Company performed an assessment of indicators of impairment in the investment and recognized an impairment loss of $1,510,668 as a result of the significant financial difficulty of Tech2Heal. The investment remained fully impaired as at January 31, 2025.

		Amount
Balance as at April 30, 2023	**$**	**1,238,520**
Share of loss on investment in associate (11.11% of net loss)		(125,391)
Remaining payment towards 2.778% additional interest		325,979
Impairment		(1,439,108)
Balance as at April 30, 2024 and January 31, 2025	**$**	**-**

Summary statement of financial position of Tech2Heal is as follows:

		January 31, 2025		April 30, 2024
Cash	**$**	-	**$**	54,692
Other current assets		93,175		132,943
Non-current assets		708,895		156,256
Total asset	**$**	**802,069**	**$**	**343,891**
Current liabilities	**$**	**(1,483,683)**	**$**	**(1,175,605)**
Net assets (liabilities)	**$**	**(681,614)**	**$**	**(831,714)**

Summary statement of loss of Tech2Heal for the nine months ended January 31, 2025 and the year ended April 30, 2024:

		Nine months ended January 31, 2025		For the year ended April 30, 2024
Loss from operations	**$**	(479,311)	**$**	(1,128,634)
Net loss and comprehensive loss	$	(479,311)	$	(1,128,634)

On March 21, 2025, the Company executed an exit agreement with Tech2Heal and relinquished all of its equity interest in Tech2Heal as well as its board seat (Note 19).

(Unaudited - Expressed in Canadian Dollars)

Purchase of Shares in AI RX Inc.

During the year ended April 30, 2023, the Company issued 1,762,500 common shares with a fair value of $79,313 to purchase 70% of AI Rx Inc., a corporation that has been granted the exclusive commercial use of all products, brands, and trademarks of Tech2Heal in North America in perpetuity. The transaction was recorded as an asset acquisition. At the date of acquisition, AI RX Inc. had net assets consisting of intangible assets of $113,304 offset by non-controlling interest of $33,991. At April 30, 2023, the Company did an assessment and determined that the intangible asset was impaired. During the nine months ended January 31, 2025 and the year ended April 30, 2024 there was no activity in the subsidiary.

7. Marketable Securities

On May 20, 2016, the Company received 71,666 common shares of Carolina Rush Corporation, a publicly traded company listed on the TSX Venture Exchange, with a fair value of $53,750. The common shares are held-for-trading and as of January 31, 2025 the fair value is as follows:

		January 31, 2025		April 30, 2024
Opening balance	**$**	**15,408**	**$**	**10,033**
Unrealized gain (loss) on fair value remeasurement		(11,108)		5,375
Ending balance	**$**	**4,300**	**$**	**15,408**

8. Right-of-use Assets and Lease Liabilities

During the nine months ended January 31, 2025, the Company entered into a building office lease in the province of British Columbia. The right-of-use asset and corresponding lease liability relates to this office building lease. The lease has an end date of July 7, 2027. The Company used a 9.00% interest rate, its estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement.

Right-of-use assets		Office Building
Cost		
Balance, April 30, 2024	**$**	**-**
Additions		92,778
Balance, January 31, 2025	**$**	**92,778**
Accumulated Depreciation		
Balance, April 30, 2024	**$**	**-**
Depreciation in the period		18,040
Balance, January 31, 2025	**$**	**18,040**
Carrying value		
Balance, April 30, 2024	$	-
Balance, January 31, 2025	**$**	**74,738**

As at January 31, 2025 the Company is committed to minimum lease payments as follows:

		January 31, 2025
Maturity analysis – contractual undiscounted cash flows		
Less than one year	$	35,001
One to five years		55,418
More than five years		-
Total undiscounted lease labilities	**$**	**90,419**

(Unaudited - Expressed in Canadian Dollars)

Lease labilities	**$**	**73,950**
Current	$	(29,684)
Non-current	$	44,266

During the three and nine months ended January 31, 2025, the Company recognized total interest expense of $1,704 and $4,197 respectively (three and nine months January 31, 2024 - $nil and $nil) in connection with its lease liability.

9. Intangible Asset

On August 15, 2024, the Company acquired intangible assets from Naiad Lab Inc. ("Naiad") comprised of proprietary technology and associated intellectual property. Per the terms of the acquisition, the Company paid to Naiad the following:

Purchase price consideration		
Fair value of 6,700,000 common shares issued at $0.06	$	402,000
Fair value of 3,000,000 incentive share warrants issued (i)		-
Total purchase price	**$**	**402,000**
Asset acquired		
Intangible assets	$	402,000
Total amount allocated	**$**	**402,000**

(i) The incentive share warrants are exercisable into 3,000,000 common shares of the Company with a no exercise price but subject to the following performance conditions being achieved by June 4, 2025:

- The technology acquired, the Long ECG Neural Net, has formally entered the US FDA approval process; and

- The technology acquired, the Long ECG Neural Net, generates gross revenue of not less than $1,000,000.

The incentive warrants are recognized in accordance with IFRS 2. The fair value of the warrants will be recognized to intangible assets when the Company determines that the specified non-market performance conditions have been satisfied. At the end of each reporting period, the Company will revises its estimates of the number of incentive warrants that are expected to vest based on the satisfaction of the non-market performance conditions.

As part of the acquisition, the Company also agreed to a streaming royalty (the "Royalty") to Naiad Lab Inc for up to a 20-year period, as per the following terms:

- a 2% Royalty which is payable on gross revenue of not less than $1,500,000 and not greater than $5,000,000 inclusive per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net; and

- a 3% Royalty which is payable on all gross revenue above $5,000,000 per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net; or

- the Company, at its sole discretion, may purchase the Royalty back from Naiad at any time for $1,000,000.

(Unaudited - Expressed in Canadian Dollars)

10. Acquisition of Quantum Sciences Ltd.

On December 23, 2024 (the "Acquisition Date"), the Company completed its acquisition of Quantum Sciences Ltd., pursuant to the terms of a share purchase agreement (the "SPA") which was signed December 9, 2024. On Acquisition Date, the Company issued 10,000,000 common shares (the "Consideration Shares") of the Company in exchange for 100% of the issued and outstanding common shares of Quantum. Quantum is an entity that was incorporated on August 4, 2021 under the laws of the province of British Columbia. Quantum's primary business activity prior to acquisition was the development of digital healthcare solutions powered by artificial intelligence ("AI"), machine learning, and quantum-inspired methodologies. The acquisition transaction has been accounted for as an asset acquisition as Quantum did not meet the definition of a 'business' as defined under IFRS 3.

Purchase price consideration		
Fair value of 10,000,000 common shares issued at $0.075 (i)	$	750,000
Total purchase price	**$**	**750,000**
Total acquisition costs (ii)	**$**	**34,761**
Total amount allocated to net assets	**$**	**784,761**
Assets acquired:		
Intangible assets	$	784,761
Total amount allocated	**$**	**784,761**

(i) The price of the Consideration Shares was determined pursuant to the terms of the SPA. The Consideration Shares were valued based on the 20 day volume weighted average trading price of the Company's common share immediately preceding the Acquisition Date, less a 25% discount.

(ii) Acquisition costs relate entirely to legal fees incurred as part of completing the acquisition transaction.

Immediately prior to closing, the Company granted a 4% royalty on the sale of all cardiology related products sold by the Company (the "Royalties") utilizing the IP assets acquired from Quantum. The 4% royalty is divided equally amongst the four Quantum vendors, with each vendor entitled to 1% of such sales.

11. Accounts Payable and Accrued Liabilities

		January 31, 2025		April 30, 2024
Trade payables	$	325,266	$	368,450
Accrued liabilities		-		60,000
Interest payable		121,605		112,757
Total accounts payable and accrued liabilities	**$**	**446,871**	**$**	**541,207**

During the year ended April 30, 2024, the Company derecognized $5,250 of payables that passed the British Columbia term for statute of limitations.

12. Loans and Borrowings:

a) As at January 31, 2025, the Company owes a loan payable in the amount of $12,220 (April 30, 2024 - $12,220) to an unrelated party, which is non-interest bearing, unsecured, and with no fixed repayment terms.

(Unaudited - Expressed in Canadian Dollars)

b) As at January 31, 2025, the Company owed a note payable with carrying value of $117,000 (April 30, 2024 - $117,000) to an unrelated company, which is unsecured, bears simple interest at 10% per annum, and is due on demand. Total interest accrued during the three and nine month period ended January 31, 2025 was $2,949 and $8,847 respectively.

13. Related Party Transactions and Balances

Key management compensation

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors. Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended		Nine months ended	
Nature	**January 31, 2025**	**January 31, 2024**	**January 31, 2025**	**January 31, 2024**
Management and director fees	$ 302,640	$ 39,716	$ 970,170	$ 113,846
Professional fees	-	9,000	-	27,000
Salaries, wages, and benefits	-	50,513	31,121	157,365
Consulting expense	-	37,500	-	59,375
Share-based payments	61,637	-	68,810	-
Total	**$ 364,277**	**$ 136,729**	**$ 1,070,101**	**$ 357,586**

During the nine months ended January 31, 2025, the Company entered into a debt settlement agreement with a former CEO whereby $70,000 cash was paid to extinguish all remaining debt. As a result, a gain on settlement of $756,845 was recorded.

As at January 31, 2025 the following balances were observed to be owing to related parties:

i) $Nil (April 30, 2024 - $15,750) to a director of the of the Company (“Director #1”), which is unsecured, non-interest bearing, with no fixed terms of repayment.

ii) $37,500 (April 30, 2024 - $23,157) to the Chief Executive Officer (“CEO”) and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

iii) $60,000 (April 30, 2024 - $Nil) to the Chief Commercialization Officer (“CCO”) and director of the Company. The amount relates to a management signing bonus payable to the CCO in common shares of the Company.

iv) $Nil (April 30, 2024 - $8,142) to the former Chief Technology Officer and former director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

v) $Nil (April 30, 2024 - $78,674) to director of the Company (“Director #2”), which is unsecured, non-interest bearing, with no fixed terms of repayment.

vi) $9,638 (April 30, 2024 - $Nil) to director of the Company (“Director #3”) for reimbursable expenses. The entire amount is unsecured, non-interest bearing, payable on demand.

During the three and nine months ended January 31, 2025, the Company earned $42,796 and $124,897 of license fee revenue respectively (three and nine months January 31, 2024 - $40,517 and $121,103 respectively) from a former related company which has a former common officer and a former common former director and is therefore considered to be a related party. As at January 31, 2025, $14,446 of this amount was included in receivables.

(Unaudited - Expressed in Canadian Dollars)

During the nine months ended January 31, 2025, the Company entered into an agreement (the “CEO Agreement”) with Moonshot Inc. (“Moonshot”), a Company controlled by the CEO of the Company. The CEO’s services are rendered through Moonshot. In connection with the CEO Agreement, the Company agreed to pay a monthly CEO fee in addition to various signing and retention bonuses which are payable in cash or common shares of the Company as the discretion of the Company. During the nine months ended January 31, 2025, the Company incurred total management fees of $602,500 to Moonshot, of which $475,000 is related to signing and retention bonuses as specified in the Agreement. $312,500 of the $475,000 was settled through the issuance of 4,583,333 common shares of the Company. The remaining balance will be settled by cash or common shares.

14. Share Capital

a) Common Shares

As at January 31, 2025, the Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding common shares	Number of Shares		Amount
Balance at April 30, 2023	**44,205,518**	**$**	**25,794,801**
Common shares issued on private placement of Units (xi)-(xv)	30,518,545		1,288,556
Common shares issued on exercise of share purchase warrants (xii)	1,225,000		122,500
Share issuance costs (xi)-(xv)	-		(184,610)
Common shares issued for services (xvi)	1,131,134		73,524
Common shares issued to settle of debt (x)	339,000		23,730
Balance at April 30, 2024	**77,419,197**	**$**	**27,118,501**
Common shares issued on private placement of Units (i)-(vi)	71,464,076		2,456,806
Common shares issued on exercise of share purchase warrants (viii)	1,164,334		148,243
Share issuance costs (i)-(vi)	-		(379,409)
Common shares issued to acquire intangible assets (Note 9 and 10)	16,700,000		1,152,000
Common shares issued for services (Note 13)	4,583,333		350,100
Common shares issued to settle of debt (vii)(ix)	2,002,091		81,183
Balance at January 31, 2025	**173,333,031**	**$**	**30,927,424**

The following share transactions were observed during the nine months ended January 31, 2025:

(i) On July 2, 2024, the Company closed the first tranche of a non-brokered private placement and issued 9,200,000 Units at a price of $0.05 per Unit, for gross proceeds of $460,000 of which $197,800 was allocated to the warrant portion of the Unit and recorded in contributed surplus. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 expiring July 1, 2027. The Company paid cash commissions of $29,850 and issued 357,000 broker warrants, on the same terms as the warrants forming part of the Units, as part of closing this private placement.

(ii) On July 17, 2024, the Company closed the final tranche of a non-brokered private placement and issued 10,230,000 Units at a price of $0.05 per Unit, for gross proceeds of $511,500 of which $230,175 was allocated to the warrant portion of the Unit and recorded in contributed surplus. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 expiring July 17, 2027. The Company paid cash commissions of $27,878 and issued 529,550 broker warrants, on the same terms as the warrants forming part of the Units, as part of closing this private placement.

(iii) On August 19, 2024, the Company closed a non-brokered private placement and issued 7,845,000 Units at a price of $0.05 per Unit, for gross proceeds of $392,250 of which $160,823 was allocated to the warrant portion of the Unit and recorded in contributed surplus. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 expiring August 19, 2026. The Company paid cash commissions of $18,200 and issued 364,000 broker warrants, on the same terms as the warrants forming part of the Units, as part of closing this private placement.

(iv) On October 31, 2024, the Company issued 1,000,000 Units for gross proceeds of $65,000, of which $27,300 was allocated to the warrant portion of the Unit and recorded in contributed surplus. This issuance is part of a larger private placement, which formally closed on November 1, 2024. Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the to purchase one (1) Warrant Share at a price of $0.15 per share following the closing date.

(v) On November 1, 2024, the Company completed the first tranche of a non-brokered private placement and issued 18,688,461 Units for gross proceeds of $1,214,750, of which $510,195 was allocated to the warrant portion of the Unit and recorded in contributed surplus. Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the to purchase one (1) Warrant Share at a price of $0.15 per share following the closing date.

The Company paid cash finders fee of $44,070 and issued 624,000 finders warrants, having the same terms as the subscriber warrants, as part of closing this private placement.

(vi) On November 26, 2024, the Company completed the final tranche of a non-brokered private placement and issued 24,500,615 Units for gross proceeds of $1,592,540, of which $652,941 was allocated to the warrant portion of the Unit and recorded in contributed surplus. Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common Share of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the holder to purchase one (1) Warrant Share at a price of $0.15 per share following the closing date, subject to the Company’s right to accelerate expiry upon 30 days’ notice if the shares trade at $0.30 for a 10 day period.

The Company paid finders fees of $76,033 and 1,169,737 broker warrants, having the same terms as the subscriber warrants, as part of closing this private placement.

(vii) During the period ended October 31, 2024, the Company entered into a finder’s agreement with Wonderful Ventures LLC for executive search services. The Company paid cash of $30,000 and issued 750,000 common shares of the Company with a fair valued of $37,600.

(viii) The Company issued 1,164,334 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $148,243.

(ix) The Company issued 949,200 common shares pursuant to a share for debt agreement to settle indebtedness of $47,460 of services with an arm-length vendor. The common shares were fair-valued at $56,952 based on the observable market price of the Company’s common share on the date of issuance. A loss on settlement of $9,492 was recognized for the three and nine months ended October 31, 2024.

The following share transactions were observed during the year ended April 30, 2024:

(x) Issued 339,000 shares valued at $23,730 to settle $27,120 of debt, which resulted in a gain of $3,390 recorded in profit or loss.

(Unaudited - Expressed in Canadian Dollars)

(xi) Completed a private placement of 4,016,000 Units at a price of $0.075 per Unit, for gross proceeds of $301,200 of which $128,211 was allocated to the warrant portion of the Unit and recorded in reserves. Each Unit consists of one common share and one common share purchase warrant exercisable for five years and entitles the holder to purchase one warrant share at a price of $0.10 for the first year from the date of closing, $0.20 for the second year, $0.30 for the third year, $0.40 for the fourth year, and $0.50 for the fifth year following the closing date. The Company paid finders fees of $3,750 and issued 67,500 broker warrants (fair valued at $7,340), which are on the same terms as the warrants forming part of the Units.

(xii) Issued 1,225,000 common shares upon exercise of warrants at an exercise price of $0.10 per common share for gross proceeds of $122,500.

(xiii) Completed a private placement of 10,811,792 Units at a price of $0.075 per Unit, for gross proceeds of $810,884, of which $353,070 was allocated to the warrant portion of the Unit and recorded in reserves. Each Unit consists of one common share and one common share purchase warrant exercisable for five years and will entitle the holder to purchase one share at a price of $0.10 for the first year from the date of closing, $0.20 for the second year, $0.30 for the third year, $0.40 for the fourth year, and $0.50 for the fifth year following the closing date. The Company paid finders fees in relation to the second tranche of $48,520 and issued 344,300 broker warrants (valued at $49,120), which are on the same terms as the warrants forming part of the Units.

(xiv) Completed a private placement of 3,114,087 Units at a price of $0.11 per Unit, for gross proceeds of $342,550, of which $138,753 was allocated to the warrant portion of the Unit and recorded in reserves. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.20 for a period of two years from the date of closing. The Company paid finders fees of $2,970 and issued 27,000 broker warrants (fair valued at $2,600), which are on the same terms as the warrants forming part of the Units.

(xv) Completed a private placement of 12,576,666 Units at a price of $0.06 per Unit, for gross proceeds of $754,600, of which $300,644 was allocated to the warrant portion of the Unit and recorded in reserves. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.12 for a period of two years from the date of closing. The Company paid finders fees of $44,710 and issued 618,500 broker's warrants (valued at $26,600), which are on the same terms as the warrants forming part of the Units.

(xvi) Issued 1,131,134 common shares valued at $73,524 for cancellation of an advertising and marketing contract, which resulted in a loss of $66,913 recorded in profit or loss.

b) Warrants

The Company's warrants outstanding as at January 31, 2025 and the changes for the nine months ended January 31, 2025 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance at April 30, 2023	**13,425,556**	**$**	**0.05**
Issued	31,575,845		0.12
Exercised	(1,225,000)		0.10
Expired	(7,782,808)		0.01
Balance at April 30, 2024	**35,993,593**	**$**	**0.12**
Issued (Note 14(a))	77,508,363		0.04
Exercised	(1,164,334)		0.06
Balance at January 31, 2025	**112,337,622**	**$**	**0.06**

(Unaudited - Expressed in Canadian Dollars)

Warrants issued and outstanding as at January 31, 2025 are as follows:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
3,620,414	3,620,414	$0.10	March 14, 2025	0.12
3,000,000	3,000,000	$0.00	June 4, 2025	0.34
3,141,087	3,141,087	$0.20	July 12, 2025	0.44
12,928,166	12,928,166	$0.12(1)	December 19, 2025	0.88
8,209,000	8,209,000	$0.10(4)	August 19, 2026	1.55
60,000	60,000	$0.15	October 31, 2026	1.75
20,252,461	20,252,461	$0.15	November 1, 2026	1.75
25,670,352	25,670,352	$0.15(7)	November 26, 2026	1.82
9,557,000	9,557,000	$0.10(5)	July 2, 2027	2.42
10,759,550	10,759,550	$0.10(6)	July 17, 2027	2.46
3,983,500	3,983,500	$0.20(2)	June 8, 2028	3.35
11,156,092	11,156,092	$0.20(3)	July 4, 2028	3.42
112,337,622	**112,337,622**	**$0.14**		**1.87**

(1) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.30 for a 10 day period
(2) $0.10 on or before June 8, 2024, $0.20 on or before June 8, 2025, $0.30 on or before June 8, 2026, $0.40 on or before June 8, 2027, and $0.50 on or before June 8, 2028.
(3) $0.10 on or before July 4, 2024, $0.20 on or before July 4, 2025, $0.30 on or before July 4, 2026, $0.40 on or before July 4, 2027, and $0.50 on or before July 4, 2028.
(4) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a period of at least 20 consecutive trading days.
(5) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a period of 10 days.
(6) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a period of at least 30 consecutive trading days.
(7) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.30 for a 10 day period.

15. Share-Based Compensation

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the then issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of ten years and cannot be assigned or transferred.

During the three and nine months ended January 31, 2025 and 2024, the Company recognized the following share-based compensation:

	Three months ended		Nine months ended	
	January 31, 2025	January 31, 2024	January 31, 2025	January 31, 2024
Stock options	**$ 151,959**	**$ (1,074)**	**$ 174,043**	**$ 18,526**

(Unaudited - Expressed in Canadian Dollars)

a. Stock options

The following table summarizes the continuity of the Company's stock options:

	Number of Options		Weighted Average Exercise Price
Balance at April 30, 2023	**2,500,000**	**$**	**0.30**
Issued (i)(ii)	1,700,000		0.20
Expired/Cancelled	(1,100,000)		0.42
Balance at April 30, 2024	**3,100,000**	**$**	**0.20**
Issued (iii)-(ix)	6,700,000		0.15
Expired/Cancelled	(500,000)		0.20
Balance at January 31, 2025	**9,300,000**	**$**	**0.17**

(x) The Company granted 300,000 stock options to a consultant of the Company at an exercise price of $0.20 per share, exercisable for a period of one year. The options vested immediately.

(xi) The Company granted an aggregate of 1,400,000 stock options to directors and officers of the Company at an exercise price of $0.20 per share, exercisable for a period of one year. 300,000 options vested immediately, 100,000 options will vest 50% every six months over one year period and 1,000,000 options will vest 12.5% every three months over 24 months period.

(xii) The Company granted 1,500,000 stock options to the CEO of the Company at an exercise price of $0.20 per share, exercisable for a period of 5 years. The options vest and are exercisable when certain market or non-market conditions are met.

(xiii) The Company granted 100,000 stock options to a consultant of the Company at an exercise price of $0.20 per share, exercisable for a period of 1 year. The options vested immediately.

(xiv) Granted an aggregate of 700,000 stock options to employees of the Company at an exercise price of $0.20 per share. 25% of the options vest immediately on grant date with 25% vesting each year over three years.

(xv) On December 3, 2024, the Company granted an aggregate of 1,250,000 stock options to officers of the Company. The options had an exercise price of $0.09 and Maturity date of December 3, 2029. 1,000,000 of the options vested immediately on grant date. The remainder vest equally over a 12 month period.

(xvi) On December 11, 2024, the Company granted an aggregate of 400,000 stock options to consultants of the Company. The options had an exercise price of $0.10 and Maturity date of December 11, 2029. The options vest in tranches of 50,000 every three months from grant date.

(xvii) On January 6, 2025, the Company granted 2,500,000 stock options respectively to an officer of the Company. The options have an exercise price of $0.145 and expiry date of January 6, 2030. 1,000,000 options vested immediately, with 750,000 vesting thereafter each on July 6, 2025 and January 6, 2026.

(xviii) On January 8, 2025, the Company granted 250,000 stock options respectively to a director of the Company. The options have an exercise price of $0.17 and expiry date of January 8, 2030. 62,500 options will vest on April 8, July 8, October 8, 2025, and January 8, 2026.

(Unaudited - Expressed in Canadian Dollars)

The stock options were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

	Nine months ended January 31, 2025	Year ended April 30, 2024
Share price at grant date ($)	$0.11	$0.07
Exercise Price	$0.15	$0.20
Expected life (in years)	3.13	1.83
Expected annual volatility	164%	165%
Expected dividend yield	0%	0%
Risk-free interest rate	3.14%	3.29%
Fair-value per option	$0.093	$0.043

Stock options outstanding as at January 31, 2025 have the following expiry dates and exercise prices:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
1,100,000	600,000	$0.20	November 29, 2025	0.83
100,000	100,000	$0.20	May 15, 2026	1.28
700,000	700,000	$0.20	April 11, 2027	2.19
500,000	500,000	$0.20	March 12, 2028	3.11
300,000	300,000	$0.20	November 29, 2028	3.83
1,500,000	-	$0.20	May 15, 2029	4.29
700,000	175,000	$0.20	August 27, 2029	4.57
1,250,000	1,041,666	$0.09	December 3, 2029	4.84
400,000	50,000	$0.10	December 11, 2029	4.86
2,500,000	1,000,000	$0.15	January 6, 2030	4.93
250,000	-	$0.17	January 8, 2030	4.94
9,300,000	**4,466,666**	**$0.17**		**3.92**

16. Financial Instruments

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of the Company’s accounts receivable, and accounts payable and accrued liabilities, notes payable, due to related parties and loan payable approximate their carrying value, due to their short-term maturities. The Company’s cash and marketable securities are measured at fair value in accordance with level 1 of the fair value hierarchy. The Company’s call option is measured at fair value in accordance with level 2 of the fair value hierarchy and at $Nil.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company’s financial instruments under IFRS 9:

Financial assets	
Cash and cash equivalents	Fair value through profit and loss
Marketable securities	Fair value through profit and loss
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost
Loans and borrowings	Amortized cost
Payroll liabilities	Amortized cost
Share subscription payable	Amortized cost

Capital and Risk Management

The Company’s policy is to maintain a strong capital base as to maintain investor and creditor confidence, safeguard the Company’s ability to support the development of its projects and to sustain future development of the business. There are no external restrictions on the Company’s capital. There were no changes in the Company’s approach to capital management during the period.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts and accounts receivable. The majority of cash is maintained at a major financial institution with reputable credit and the therefore management believes credit risk to be minimal. The maximum exposure to credit risk is the aggregate carrying amount of receivable and the Company has recorded an expected credit loss of $Nil.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements, option exercises and warrant exercises to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options.

Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. The Company does not have a significant liquidity risk as the Company has a working capital of $1,367,601 (April 30, 2024 – working capital deficiency $1,209,967). The ability of the Company to continue its activities relies upon the support of its suppliers and obtaining additional financing.

The following is an analysis of the contractual maturities of the Company financial liabilities as at January 31, 2025:

	Total carrying amount $	Contractual cash flows $	Less than 1 year $	1 to 5 years $	More than 5 years $
Accounts payables and accrued liabilities	446,871	446,871	446,871	-	-
Loans and borrowings	129,220	129,220	129,220	-	-
Total	**576,091**	**576,091**	**576,091**	**-**	**-**

Taking into consideration the Company's current cash position, the Company continues to review its needs to seek financing opportunities in accordance with its capital structure management strategy.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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 does not carry significant loans and borrowings with variable interest rates therefore management believes interest rate risk is low.

Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency rates or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has cash and accounts payable and accrued liabilities denominated in US dollars (USD). The carrying value of these items may change due to fluctuations in foreign exchange rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. There is price risk associated with the Company's marketable securities. A 10% change in the market price of the Company's marketable securities would have an immaterial impact on profit or loss.

17. Supplemental Cash Flow Information

The following are non-cash activities that occurred during the nine months period ended January 31, 2025:

	January 31, 2025	January 31, 2024
Fair value of options exercised/cancelled	$ 31,400	$ 217,188
Fair value of broker's warrants	160,778	85,660
Recognition of right-of-use asset	92,778	-
Recognition of lease liability	86,594	-
Shares issued for debt	81,183	-

(Unaudited - Expressed in Canadian Dollars)

	January 31, 2025	January 31, 2024
Fair value of unit warrants	1,779,234	-
Fair value of shares issued to acquire intangible assets	1,152,000	-
Share issued on prepayment of services	350,100	-

18. Segmented Reporting

Geographic information
The Company operates in one reportable segment in Canada, being the research and development of health and wearable technologies, and the sale of licenses and consulting services related to those technologies.

Economic dependence
100% of the Company's sales for the nine months ended January 31, 2025 were from one customer, MedWatch Technologies Inc., a related corporation in which a director of the Company is also an officer.

19. Subsequent Events

- On March 21, 2025, the Company executed an exit agreement with Tech2Heal (the "Exit Agreement"). Pursuant to the terms of the Exit Agreement, the Company will relinquish:

  1) 11.11% equity interest in Tech2Heal;
  2) The Company's right to a board seat in Tech2Heal; and
  3) AI RX Inc.'s exclusive rights to T2H's products in North America.

  In return, Tech2Heal will return:
  1) 1,500,000 common shares of AIML;
  2) 30% equity interest in AIRX; and
  3) Fabrice Pakin, CEO of Tech2Heal will also resign from the board of directors of AIRX

- On March 15, 2025, 3,620,414 share purchase warrants with an exercise price of $0.10 expired.