AI/ML INNOVATIONS INC

Management's Discussions and Analysis

(Expressed in Canadian Dollars, unless otherwise noted)

For the Three and Nine Months Ended January 31, 2025 and 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of the financial condition and results of AI/ML Innovations Inc. ("AIML" or the "Company"). AIML is an entity 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. This MD&A is provided to assist our readers to assess our financial condition, material changes in our financial condition and our financial performance, including our liquidity and capital resources, for the three and nine months ended January 31, 2025. The information in this MD&A is current as of March 31, 2025 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended January 31, 2025 and 2024. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This discussion contains "forward-looking statements" that are not historical facts and involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A contains forward-looking statements that reflect the Company's current expectations and projections about its future results and plans, including, but not limited to, statements around the Company's anticipated commercialization effort, business strategies, and development of its technology and intellectual property assets ("IP assets"). The Company's future plans for its business, and such other statements that are not historical facts. When used in this MD&A, words such as "will", "estimate", "intend", "expect", "anticipate", "plan", "potential", "anticipates", "goal" or the negative thereof and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, but are not limited to: the availability of sources of income to generate cash flow and revenue; the dependence on management and directors; conflicts of interest; risks relating to the receipt of the required licenses and regulatory approvals; risks relating to additional funding requirements; due diligence risks; a downturn in general economic conditions; impact of political and economic instability relating to international conflicts; potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges; and other factors beyond the Company's control that are described in the Company's continuous disclosure materials on SEDAR+ at www.sedarplus.ca.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on November 4, 2009. On December 30, 2020, the Company filed a listing application with the CSE. AIML's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "AIML", the OTCQB Venture Market under "AIMLF", and the Frankfurt Stock Exchange under "42FB".

AIML's business is focused on the burgeoning fields of artificial intelligence: (AI) and machine learning (ML), with an investment focus on emerging digital health and wellbeing companies that leverage AI, ML, cloud computing and digital platforms to drive transformative healthcare management solutions and precision support delivery across the health continuum. In December 2020, the Company completed a share purchase agreement with Health Gauge Inc. ("Health Gauge"), an Alberta based private technology company. 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

In August 2024, the Company acquired IP assets from Naiad Lab Inc. ("Naiad") an Alberta based company which developed a proprietary Long ECG Neural Net (L-ECG NN) algorithm for cardiovascular insights; the L-ECG NN provides detailed beat-to-beat labeling for ECGs of any duration, up to and including 48 hours, covering approximately 170,000 labeled heartbeats. The Company also acquired The Neural Network Store (NNStore) from Naiad; a subscription-based online neural net store that allows device company developers and researchers to upload files for analysis by various AI systems.

In December 2024, the Company acquired Quantum Sciences Ltd. ("Quantum"). Quantum is developing transformative digital health care solutions utilizing artificial intelligence, machine learning and quantum inspired methodologies. Quantum aims to develop a centralized patient information system; this system will enable patients to have more control over their health trajectory by addressing and removing current impediments and inefficiencies in the existing medical domain.

The various IP asset acquisitions through fiscal 2025 mark a significant milestone in AIML's strategic growth and innovation roadmap.

OVERALL PERFORMANCE AND OUTLOOK

<u>Corporate</u>

AI/ML Innovations Inc. has aligned its business operations to capitalize on the areas of artificial intelligence (AI) and machine learning (ML), with an initial focus on emerging companies and technologies in the digital healthcare space. From July 2024 to the date of this MDA, the Company has raised approximately $4.2M to execute its corporate and commercialization strategies. From December 2024 to the date of this MDA, the Company has continued to bolster and build-out its corporate team including the addition of a new CFO, Corporate Secretary, Chief Medical Officer, Chief Commercialization Officer, and Head of Quality and

Clinical and Regulator Affairs. The Company has reorganized its Board of Directors and continues to engage with key strategic advisors from within the healthcare space.

On October 11, 2023, the Company entered into a Debt Settlement Agreement with Tormin Resources Limited of Roslin, Ontario (the "Creditor"). The Company owes the Creditor an aggregate amount of $733,441, plus $68,500 in accrued fees, for a total amount of $801,941.00 (the "Debt") pursuant to a loan. The Company and the Creditor have entered into a Debt Settlement Agreement dated October 11, 2023, wherein the Creditor has agreed to accept a cash payment of $70,000 in full and complete settlement of the debt. The cash settlement was completed and paid in June 2024.

CAPITAL EXPENDITURE

The Company has no commitments for capital expenditures.

SELECTED ANNUAL INFORMATION

	For the years ended		
	April 30, 2024 $	April 30, 2023 $	April 30, 2022 $
Revenues	600,137	487,504	65,409
Operating expenses	(2,001,804)	(1,811,552)	(3,417,023)
Net loss and comprehensive loss for the year	(3,290,428)	(1,492,628)	(3,550,128)
Basic income / (loss) per share	(0.06)	(0.04)	(0.11)
Diluted income / (loss) per share	(0.06)	(0.04)	(0.11)

	April 30, 2024 $	April 30, 2023 $	April 30, 2022 $
Working capital deficit	(1,209,967)	(1,560,859)	(565,192)
Total assets	329,688	1,507,925	2,039,812
Total liabilities	1,539,655	1,788,212	1,551,015
Share capital	27,118,501	25,794,801	25,278,619
Deficit	34,807,122	31,739,445	30,699,872

SELECTED QUARTERLY FINANCIAL INFORMATION

	Three months ended			
	January 31, 2025 $	October 31, 2024 $	July 31, 2024 $	April 30, 2024 $
Total revenue	42,796	41,003	41,098	40,202
Net loss and comprehensive loss	(1,052,975)	(974,964)	(75,361)	(1,951,641)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.01)

	Three months ended			
	January 31, 2024 $	October 31, 2023 $	July 31, 2023 $	April 30, 2023 $
Total revenue	108,593	174,478	172,571	156,145
Net loss and comprehensive loss	(515,024)	(455,533)	(368,230)	(250,961)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.04)

The Company's financial results over the last eight recent quarters reflect the Company's new strategic initiatives which began around August 2024 (Q2'2025), coinciding with the key IP asset acquisitions from Naiad. Total revenues from fiscal 2024 included service revenues generated within the Company's wholly owned subsidiary, Health Gauge. In Q4'2024, the Company recognized a net loss and comprehensive loss of $1.95M mainly attributable to an impairment loss of $1.43M on its investment in associate. Otherwise, the net loss and comprehensive losses observed during the remainder fiscal quarters in fiscal 2024 related to operating costs in excess of revenues generated. The Company had total operating expenses of $2.0M in fiscal 2024 offset against a gross profit of $0.294M. Significant operating expense throughout fiscal 2024 included: marketing ($0.274M), consulting ($0.396M), office ($0.223M), management and director fees ($0.250M), professional fees ($0.252M), salaries and wages ($0.359M), and research and development ($0.172M).

Throughout the first three fiscal quarters of 2025, only license revenues have been recognized in Health Gauge as the Company has shifted internal resources and efforts to commercialization of other IP assets. In Q1'2025, the Company recognized a gain on debt settlement for $0.756M, which was offset by total operating expense of $0.911M. Net loss and comprehensive losses observed during Q2 and Q3 of fiscal 2025 related to operating costs incurred including: marketing ($0.196M), consulting ($0.657M), office ($0.178M), management and director fees ($0.970M), professional fees ($0.425M), salaries and wages ($0.116M), share-based compensation ($0.174M) and research and development ($0.150M). The first three fiscal quarters of fiscal 2025 are notably different compared to the four fiscal quarters in fiscal 2024. In fiscal 2025, there are increases to consulting, management and director fees, professional fees, and research and development expense. With regards to consulting and professional fees, increase is due to the significantly greater corporate finance activity in connection with the numerous equity private placements that have closed in fiscal 2025. In addition, the Company continues to engage industry expert consultants in implementing its strategic vision and commercialization efforts. Professional fees are also higher in fiscal 2025 due to various IP asset acquisitions. Management and directors fees have increased significantly due to the build-out of the Company's executive management team which includes the addition of new directors and executive officers.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JANUARY 31, 2025

Three months ended	January 31, 2025	January 31, 2024	Variance $	Variance %
Revenue				
Goods	-	9,546	(9,546)	-100%
License fee	42,796	40,517	2,279	6%
Services	-	126,602	(126,602)	-100%
Total revenues	**42,796**	**176,665**		
Cost of sales	(1,005)	(68,072)	67,067	-99%
Gross profit (loss)	**41,791**	**108,593**		
Operating expenses				
Marketing and shareholder relations	84,551	87,280	(2,729)	-3%
Consulting expense	133,846	152,228	(18,382)	-12%
Business development	31,577	-	31,577	100%
Depreciation	7,732	10,513	(2,781)	-26%
Office and administration	78,341	20,802	57,539	277%
Management and director fees	302,640	39,716	262,924	662%
Professional fees	87,333	74,583	12,750	17%
Research and development	143,090	39,935	103,155	258%
Rent expense	6,009	7,266	(1,257)	-17%
Salaries, wages, and benefits	59,445	85,257	(25,812)	-30%
Share-based compensation	151,960	(1,074)	153,034	100%
Travel	28,785	727	28,058	3859%
Transfer agent, regulatory, and filing fees	18,343	14,288	4,055	28%
Total operating expenses	**(1,133,652)**	**(531,521)**		
Other income (expenses)				
Foreign exchange gain (loss)	(4,207)	(773)	(3,434)	444%
Grant income	49,828	-	49,828	100%
Interest expense	(5,187)	(10,380)	5,193	-50%
Interest income	34	-	34	100%
Other income	437	10,000	(9,563)	-96%
Share of loss on investment in associate	-	(24,031)	24,031	-100%
Gain (loss) on settlement of debt	-	(66,912)	66,912	-100%
Unrealized foreign exchange gain (loss)	131	-	131	100%
Unrealized loss on marketable securities	(2,150)	-	(2,150)	100%
Total other income (expenses)	**38,886**	**(92,096)**		
Net loss and comprehensive loss	**(1,052,975)**	**(515,024)**		

During the three months ended January 31, 2025, the Company incurred operating costs all in support of corporate activities, including financing activities, as well as commercialization efforts. Notably changes from the comparative period are as follows:

i) The Company incurred greater travel and office and administrative expenses in the current period due to increased corporate and commercialization activities.

ii) The Company has shifted its business strategy and objectives; services revenues and corresponding costs of sales have decreased within its subsidiary Health Gauge as a result.

iii) Management and director fees were significantly higher in current period due the addition of new directors, and executive officers. During the current quarter, the Company also recognized various signing and retention bonuses paid or payable to the CEO, or Chief Commercialization Officer (CCO) of the Company. There was also higher share-based compensation expense is due to the numerous stock option grants to members of key management as well as to consultants of the Company during fiscal 2025.

FOR THE NINE MONTHS ENDED JANUARY 31, 2025

Nine months ended	January 31, 2025	January 31, 2024	Variance $	Variance %
Revenue				
Goods	-	15,883	(15,883)	-100%
License fee	124,897	121,103	3,794	3%
Services	-	386,834	(386,834)	-100%
Total revenues	**124,897**	**523,820**		
Cost of sales	(4,161)	(269,158)	264,997	-98%
Gross profit (loss)	**120,736**	**254,662**		
Operating expenses				
Marketing and shareholder relations	196,004	230,507	(34,503)	-15%
Consulting expense	657,923	286,546	371,377	130%
Business development	31,577	-	31,577	100%
Depreciation	18,040	31,539	(13,499)	-43%
Office and administration	178,444	56,963	121,481	213%
Management and director fees	970,170	113,846	856,324	752%
Professional fees	425,782	202,239	223,543	111%
Research and development	150,470	132,207	18,263	14%
Rent expense	20,687	20,616	71	0%
Salaries, wages, and benefits	116,968	266,712	(149,744)	-56%
Share-based compensation	174,043	18,526	155,517	839%
Travel	54,331	5,814	48,517	834%
Transfer agent, regulatory, and filing fees	62,770	54,266	8,504	16%
Total operating expenses	**(3,057,209)**	**(1,419,781)**		
Other income (expenses)				
Foreign exchange gain (loss)	4,316	(6,716)	11,032	-164%
Grant income	110,586	-	110,586	100%
Interest expense	(18,954)	(35,269)	16,315	-46%
Interest income	543	-	543	100%
Other income	437	10,000	(9,563)	-96%
Correction of accounts payable	-	(5,250)	5,250	-100%
Share of loss on investment in associate	-	(67,730)	67,730	-100%
Gain (loss) on settlement of debt	747,353	(66,912)	814,265	-1217%
Unrealized loss on marketable securities	(11,108)	(1,791)	(9,317)	520%
Total other income (expenses)	**833,173**	**(173,668)**		
Net loss and comprehensive loss	**(2,103,300)**	**(1,338,787)**		

During the nine months ended January 31, 2025, the Company incurred operating costs all in support of corporate activities, including financing activities, as well as commercialization efforts. Notably changes from the comparative period are as follows:

i) The Company has shifted its business strategy and objectives; services revenues and corresponding costs of sales have decreased within its subsidiary Health Gauge as a result.

ii) The Company incurred greater travel and office and administrative expenses in the current period due to increased corporate and commercialization activities.

iii) With regards to consulting and professional fees, the Company had significantly greater corporate finance activity in connection with the numerous equity private placements that have closed in fiscal 2025. Greater legal expenses were incurred also for regulatory requirements, as well as other legal work to execute various corporate strategies including the various asset acquisitions in the period.

iv) Management and director fees were significantly higher in current period due the addition of new directors, and executive officers. During the current quarter, the Company also recognized various signing and retention bonuses paid or payable to the CEO, or Chief Commercialization Officer (CCO) of the Company. There was also higher share-based compensation expense is due to the numerous stock option grants to members of key management as well as to consultants of the Company during fiscal 2025.

i) The Company's investment in associate was fully impaired during the year ended April 30, 2024. Subsequently, no share on loss on investment in associate has been recognized during the nine months ended January 31, 2025.

ii) Salaries, wages and benefits decreased in the current period as compared to prior period due to a reduction of the workforce within Health Gauge. This reduction was driven by a shift in business strategy and direction.

iii) Gain on settlement of debt of $747,353 due to a debt settlement agreement with a former CEO during the current period. There was no comparable transaction observed in the comparative period.

ANALYSIS OF CASH FLOW

		Nine months ended		
Cash provided by (used in):		**January 31, 2025**		**January 31, 2024**
Operating activities	$	(2,391,206)	$	(1,345,226)
Investing activities		-		(325,980)
Financing activities		4,046,128		2,160,588
Increase (decrease) in cash	**$**	**1,654,922**	**$**	**489,382**

Operating Activities

Cash flows from operating activities can vary significantly from period to period as a result of the Company's working capital requirements, which are dependent on corporate activities as well on-going efforts to commercialize the Company's IP assets. There was greater cash used in operating activities during the nine months ended January 31, 2025 due to higher corporate activities relating to equity financings and commercialization efforts, as well as higher corporate costs in connection with use of consultants to execute various business strategies. The Company also added new members to its executive management team and board of directors, resulting in greater management and director fee expenses in the current period.

Investing Activities

Cash flows used in investing activities can vary depending on the nature of the transactions occurring during a period. There were no investing activities observed during the nine months ended January 31, 2025. Cash used in the comparative period was related to the Company's investment in its associate which was subsequently fully impaired as at April 30, 2024 and January 31, 2025.

Financing Activities

During the nine months ended January 31, 2025, the Company collected total proceeds of approximately $4,236,040 (2024 - $2,209,234) from private placement financings. The Company also received cash from the exercise of investor share warrants totaling approximately $121,773 (2024 - $122,500). This was offset by cash commissions paid on the financing of approximately $218,630 (2024 - $98,950) and repayment of due to related party balances totaling approximately $94,390 (2024 - $Nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company has non-material operating revenues and therefore must utilize funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing R&D and operating activities. The cash and cash equivalent resources of the Company are held with major Canadian financial institutions. As at January 31, 2025, the Company had working capital of $1,367,601. This balance includes a cash and cash equivalent balance of $1,856,374, and receivables of $188,680 to settle current liabilities of $727,269. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

RELATED PARTY TRANSACTIONS

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.

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.

ACQUISITION OF INTELLECTUAL PROPERTY 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 asset	$	402,000
Total amount allocated	**$**	**402,000**

(i) The incentive share warrants are exercisable into 3,000,000 common shares of the Company with no exercise price 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 revise 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.

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 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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has realigned its business operations to capitalize on the burgeoning fields of artificial intelligence (AI) and machine learning (ML), with an initial investment focus on emerging digital health and wellbeing companies that leverage AI, ML, cloud computing and digital platforms to drive transformative healthcare management solutions and precision support delivery across the health continuum. The Company's financial condition, results of operations and business are subject to numerous risks. For a complete discussion of such risks, please refer to the condensed consolidated interim financial statements for the three and nine months ended January 31, 2025 on www.sedarplus.ca.

OUTSTANDING SHARE DATA

As of the date of this MD&A the Company has the following outstanding equity securities outstanding:

Type	# Outstanding
Common shares	173,333,031
Share purchase warrants	108,717,208
Stock options	9,300,000

SHARE CAPITAL

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	16,700,000		1,152,000
Common shares issued for services	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.

(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.

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	77,508,363		0.04
Exercised	(1,164,334)		0.06
Balance at January 31, 2025	**112,337,622**	**$**	**0.06**

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.

SHARE-BASED PAYMENTS

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 payments:

	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**

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**

i) 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.

ii) 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.

iii) 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.

iv) 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.

v) 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.

vi) 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.

vii) 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.

viii) 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.

ix) 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.

The 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**

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.

OFF-BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited annual financial statements for the year ended April 30, 2024 for details on critical accounting estimates and judgments.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in Note 16 of the unaudited condensed consolidated interim financial statements for the three and nine months ended January 31, 2025. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to Note 2 of the audited annual financial statements for the year ended April 30, 2024.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Some of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

Ongoing Need for Financing

The Company will require additional financing, including through the sale of assets and/or the issue and sale of equity or debt securities if various events alone or in combination occur. No assurance is given that the Company will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all. The Company will require significant capital in order to develop and commercialize its IP assets and to fund its operating costs. The Company currently does not have significant revenues from operations and is wholly reliant upon external financing to fund all of its capital requirements. The Company will require additional financing from external sources to meet such requirements. No assurance is given that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations, and liquidity, and could require the Company to cancel or postpone planned capital investments.

Potential Conflicts of Interest

Certain directors or officers of the Company are also directors, officers, shareholders and/or promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

Reliance on Others and Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Litigation

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

Changes in Laws

Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business. There can provide no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

Speculative investment

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed, and investors may lose all of their investment.