MEDBRIGHT AI INVESTMENTS INC.

Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024 and 2023

(Expressed in Canadian dollars)

Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended November 30, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

MEDBRIGHT AI INVESTMENTS INC.
Condensed Interim Consolidated Statements of Financial Position
As at November 30, 2024 and February 29, 2024
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	November 30, 2024 $	February 29, 2024 $
Assets		
Current assets		
Cash and cash equivalents	559,051	1,587,741
Accrued interest receivable (Note 5)	36,804	24,291
Prepaid expenses	33,444	172,065
Total current assets	629,299	1,784,097
Non-current assets		
Convertible debenture (Note 5)	150,000	144,083
Investments (Note 6)	921,276	3,201,495
Loan receivable (Note 6)	-	1,043,895
Total non-current assets	1,071,276	4,389,473
Total assets	1,700,575	6,173,570
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7 and 8)	354,239	260,373
Shareholders' equity		
Share capital (Note 9)	18,932,414	18,900,544
Warrant reserve (Note 9)	1,605,476	1,613,346
Share-based payment reserve (Note 11)	1,173,443	1,173,443
Equity component of convertible debt	176,251	176,251
Deficit	(20,541,248)	(15,950,387)
Total shareholders' equity	1,346,336	5,913,197
Total liabilities and shareholders' equity	1,700,575	6,173,570

Nature of operations and continuance of business (Note 1)
Commitments (Note 15)

Approved and authorized for issuance by the Board of Directors on January 29, 2025:

/s/ "Christopher Cherry"	*/s/ "Konita Wilks"*
Christopher Cherry, Director	Dr. Konita Wilks, Director

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

MEDBRIGHT AI INVESTMENTS INC.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended November 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the three months ended November 30,		For the nine months ended November 30,	
	2024 $	2023 $	2024 $	2023 $
Investment Income				
Interest income (Note 5)	28,686	10,552	87,141	18,774
Realized loss on disposal of investment (Note 6)	-	(92,049)	(48)	(884,839)
Unrealized gain (loss) on investment (Note 6)	(2,285,746)	174,831	(2,429,571)	(5,573,389)
Total investment income (loss)	(2,257,060)	93,334	(2,342,478)	(6,439,454)
Operating expenses				
Consulting fees (Note 8)	88,790	223,024	316,750	427,777
Donations	-	55,384	-	55,384
Foreign Exchange (gain) loss	(12)	5,911	7,292	5,913
General and administrative	17,532	2,636	46,780	7,688
Marketing	-	89,337	97,985	89,337
Professional fees	3,088	117,947	177,310	121,085
Share-based payments (Notes 8 and 11)	-	104,645	-	104,645
Transfer agent and filing fees	2,756	14,796	10,626	35,154
Travel	-	4,205	1,909	5,297
Total operating expenses	112,154	617,885	658,652	852,280
Loss before other items	(2,369,214)	(524,551)	(3,001,130)	(7,291,734)
Other items				
Accretion on discount (Note 5)	219	2,865	5,917	8,696
Interest expense	-	(13,527)	(1,329)	(39,692)
Impairment of loan receivable and interest (Note 6)	(1,595,100)	-	(1,595,100)	-
Gain (loss) on debt settlement	-	-	780	(25,000)
Total other items	(1,594,881)	(10,662)	(1,589,731)	(55,996)
Net loss and comprehensive loss for the period	(3,964,095)	(535,213)	(4,590,861)	(7,347,730)
Loss per share, basic and diluted	(0.04)	(0.01)	(0.04)	(0.14)
Weighted average common shares outstanding	110,369,555	98,624,393	110,224,464	53,509,119

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

MEDBRIGHT AI INVESTMENTS INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended November 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share capital						
	Number of shares	**Amount $**	**Warrant reserve $**	**Share-based payment reserve $**	**Equity component of convertible debt $**	**Deficit $**	**Total shareholders' equity (deficit) $**
Balance, February 28, 2023	20,984,663	6,992,528	865,762	1,068,798	176,251	(8,792,481)	310,858
Private placement	23,250,000	1,409,970	690,030	–	–	–	2,100,000
Share issue costs - cash	–	(42,376)	–	–	–	–	(42,376)
Share issue costs – agent's warrants	–	(35,488)	35,488	–	–	–	–
Exercise of warrants	17,240,000	1,376,557	(342,157)	–	–	–	1,034,400
Debt settlement	2,500,000	90,973	59,027	–	–	–	150,000
Shares issued for acquisition of investment	37,000,005	8,140,001	–	–	–	–	8,140,001
Share-based payments – stock options	–	–	–	104,645	–	–	104,645
Net loss for the period	–	–	–	–	–	(7,347,730)	(7,347,730)
Balance, November 30, 2024	100,974,668	17,932,165	1,308,150	1,173,443	176,251	(16,140,211)	4,449,798
Balance, February 29, 2024	109,969,555	18,900,544	1,613,346	1,173,443	176,251	(15,950,387)	5,913,197
Exercise of warrants	400,000	31,870	(7,870)	–	–	–	24,000
Net loss for the period	–	–	–	–	–	(4,590,861)	(4,590,861)
Balance, November 30, 2024	110,369,555	18,932,414	1,605,476	1,173,443	176,251	(20,541,248)	1,346,336

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

MEDBRIGHT AI INVESTMENTS INC.

Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended November 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the nine months ended November 30, 2024 $	2023 $
Operating activities:		
Net loss for the period	(4,590,861)	(7,347,730)
Items not involving cash:		
Accretion on discount	(5,917)	(8,696)
Foreign exchange	–	5,913
Interest charges	1,329	39,692
Interest income	(87,141)	(18,774)
Loss on debt settlement	–	25,000
Unrealized loss (gain) on fair value of investments	2,429,571	5,573,389
Realized loss (gain) on sale of investments	48	884,839
Share-based payments	–	104,645
Write-off of loan receivable and interest	1,595,100	–-
Changes in non-cash operating working capital:		
Due from related party	–	12,000
Prepaid expenses	138,621	(124,560)
Accounts payable and accrued liabilities	92,537	(358,823)
Net cash used in operating activities	(426,713)	(1,213,105)
Investing activities		
Investments	(150,000)	(605,578)
Proceeds on sale of investments	600	569,052
Loan receivable	(476,577)	(686,766)
Net cash (used in) investing activities	(625,977)	(723,292)
Financing activities		
Proceeds from shares issued and share subscriptions received	24,000	3,134,400
Share issue costs	–	(42,376)
Net cash provided by financing activities	24,000	3,092,024
Change in cash and cash equivalents	(1,028,690)	1,155,627
Cash and cash equivalents, beginning of period	1,587,741	17,874
Cash and cash equivalents, end of period	559,051	1,173,501
Cash and cash equivalents consist of:		
Cash in bank	15,974	1,170,693
Cash in legal trust account	75	75
Cash in brokerage account	2	2,733
Guarantee Investment Certificate	543,000	–
Total cash and cash equivalents	559,051	1,173,501
Supplemental disclosure:		
Cash paid for interest during the period	–	–
Cash paid for income taxes during the period	–	–
Non-cash investing and financing activities:		
Shares issued for debt	–	150,000
Fair value of agents warrants issued	7,870	35,490
Shares issued for investment in marketable securities	–	8,140,001

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

1. Nature of Operations and Continuance of Business

Medbright AI Investments Inc. formerly known as Vinergy Capital Inc. (the "Company") was incorporated as Vanguard Investments Corp. on March 20, 2001 under the provisions of the Alberta Business Corporations Act. On May 10, 2011, the Company changed its name to Vinergy Resources Ltd. and continued the Company's registered jurisdiction from Alberta to British Columbia. On July 9, 2019, the Company changed its name to Vinergy Cannabis Capital Inc. On March 9, 2021, the Company changed its name to Vinergy Capital Inc. The Company's head office is located at Suite 1000, 409 Granville Street, Vancouver, BC, V6C 1T2 and its shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "VIN". During the year ended February 29, 2020, the Company became an investment issuer.

On November 7, 2023, the Company changed the name to 'Medbright AI Investments Inc.'. The Company commenced trading on CSE under the new trading symbol "MDAI" on November 9, 2023.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine months ended November 30, 2024, the Company incurred negative cash flow from operations. As at November 30, 2024, the Company incurred a net loss of $4,580,361 and has an accumulated deficit of $20,541,248 since inception and expects to incur further losses in the development of its business. The Company is also in default for certain loans payable. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that with its current cash and other funds that may be obtained from external financing that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Preparation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. The functional currency of the US subsidiary is the US dollar.

3. Material Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at February 29, 2024. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 29, 2024.

4. Critical Accounting Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing its performance, resources, and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financings and the Company's cash and cash equivalents position at period-end.

Fair value of investment in securities not quoted in an active market or private company investments

The determination of fair value of the Company's privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

The use of the valuation approaches described below may involve uncertainties and determinations based on management's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

4. Critical Accounting Estimates and Judgements (continued)

Fair value of investment in securities not quoted in an active market or private company investments (continued)

The fair value of a privately held investment may be adjusted if:

i. There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.
ii. There have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.
iii. The investee company is placed into receivership or bankruptcy.
iv. Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.
v. Release by the investee company of positive/negative operational results; and
vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately held investments could be currently disposed of may differ from the carrying value assigned.

Fair value of other instruments

Investments in warrants that are not traded on a recognized securities exchange do not have readily available market values. When there are sufficient and reliable observable market inputs, a market-based valuation technique such as the Black-Scholes valuation model ("Black-Scholes") is used.

Investment entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

The following are criteria within IFRS 10 – Consolidated Financial Statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company meets the criteria required to be considered an "investment entity" under IFRS 10 and as such, in the cases where the Company has control or significant influence over a company in its investment portfolio, the Company values such investments as financial assets at FVTPL.

5. Convertible Debenture

On September 8, 2022, the Company purchased a $150,000 secured convertible debenture from LEEF Brands Inc. ("LEEF") (formerly Icanic Brands Company Inc.). The debenture will bear interest at 11% per annum with a maturity date of 2 years from the date of issuance. The principal amount is convertible, at the option of the holder, in whole or in part, at any time following the issue date but on or before maturity, into units of LEEF at $0.10 per unit. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of LEEF at a price of $0.15 per share for a period of 2 years from the date of conversion.

The fair value of the convertible debenture was determined to be $127,020 using a net present value calculation assuming a discount rate of 20% per annum. The Company will record accretion of the discount of $22,980 over the term of the debenture.

During the nine months ended November 30, 2024, the Company recognized accretion of the discount of $5,917 (November 30, 2023 – $5,913), increasing the carrying value to $150,000 (February 29, 2024 – $144,083) as at November 30, 2024. As at November 30, 2024, the Company has accrued interest receivable of $36,804 (February 29, 2024 – $24,291).

6. Investments

Investments are recorded at their estimated fair value at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies will be based upon management's judgement and different valuation techniques. The fair value of share purchase warrants of public companies is valued using the Black-Scholes option pricing model.

(Expressed in Canadian dollars)

6. **Investments** (continued)

Details of the Company's investments are as follows:

	Note	Number of common shares held	Investment Cost at November 30, 2024 $	Fair value February 29, 2024 $	Dispositions $	Net change $	Fair value November 30, 2024 $
Public companies:							
Netramark Holdings Inc.	(a)	838,000	271,631	260,400	(600)	410,600	670,400
Private companies:							
CWE European Holdings Inc.	(a)	1,250,000	150,000	150,000	–	(150,000)	–
First Person Ltd.	(a)	50,000	175,000	340,225	–	(340,225)	–
Healthcare Accretion Group Inc.	(b)	4,933,334	8,184,516	2,100,000	–	(2,100,000)	–
Mentorhead Incorporated	(a)	100,000	308,626	308,626	–	(308,626)	–
Share purchase warrants		–	–	42,244	–	58,632	100,876
Share subscription – Verses AI Inc.		–	–	–	–	150,000	150,000
		7,171,334	9,089,773	3,201,495	(600)	(2,279,619)	921,276

During the nine months ended November 30, 2024, the Company disposed of certain investments for total proceeds of $600 (November 30, 2023 - $569,052) and realized a loss of $48 (November 30, 2024 – $884,839) and the Company had an unrealized loss on investments of $2,429,571 (November 30, 2023 – $5,573,389).

(Expressed in Canadian dollars)

6. Investments (continued)

	Note	Number of common shares held	Investment Cost at February 29, 2024 $	Fair Value at February 28, 2023 $	Additions $	Dispositions $	Net change $	Fair value February 29, 2024 $
Public companies:								
Anonymous Intelligence Company Inc.		–	–	–	64,152	(75,500)	11,348	–
Beyond Minerals Inc.		–	–	–	17,500	(19,875)	2,375	–
Bitcoin Well Inc.		–	–	70,000	–	(89,290)	19,290	–
Everyday People Financial Corp.		–	–	–	30,000	(33,805)	3,805	–
Horizon Copper Corp.		–	–	–	75,640	(75,360)	(290)	–
Lithium One Metals Inc.		–	–	180,000	22,300	(129,992)	(72,308)	–
Mydecine Innovations Group Inc.		–	–	–	36,000	(16,000)	(20,000)	–
New Energy Metals Corp.		–	–	207,500	–	(10,000)	(197,500)	–
Netramark Holdings Inc.	(a)	840,000	272,279	220,000	136,660	–	(96,260)	260,400
Skylight Health Group Inc.		–	–	44,000	–	(20,752)	(23,248)	–
SPOD Lithium Corp.		–	–	45,000	–	(36,799)	(8,201)	–
Ultra Lithium Inc.		–	–	45,000	–	(26,579)	(18,421)	–
Private companies:								
CWE European Holdings Inc.	(a)	1,250,000	150,000	150,000	–	–	–	150,000
First Person Ltd.	(a)	50,000	175,000	340,225	–	–	–	340,225
Healthcare Accretion Group Inc.	(b)	4,933,334	8,184,516	–	8,184,516		(6,084,516)	2,100,000
Mentorhead Incorporated	(a)	100,000	308,626	–	308,626	–	–	308,626
Share purchase warrants		–	–	172,130	–	(39,100)	(90,786)	42,244
		7,358,334	9,017,951	1,473,855	8,875,394	(573,052)	(6,574,712)	3,201,495

Notes:

(a) The Company owns less that 10% interest in the investee as at November 30 2024 and February 29, 2024
(b) The Company owns 49.33% interest in the investee as at November 30, 2024 and February 29, 2024

During the year ended February 29, 2024, the Company disposed of certain investments for total proceeds of $573,052 and realized a loss of $902,589 and had an unrealized loss on investments of $5,672,123, these amounts are included in net change as noted above.

(Expressed in Canadian dollars)

6. Investments (continued)

The investments measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2024 and February 29, 2024 as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2024 $
Investments	670,400	100,876	150,000	921,276

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 29, 2024 $
Investments	260,400	42,244	2,898,851	3,201,495

Level 2 fair value hierarchy

During the nine months ended November 30, 2024 and for the year ended February 29, 2024, the Company had the following activities:

	For the nine months ended November 30, 2024	**For the year ended February 29, 2024**
	$	**$**
Balance, beginning of period	42,244	172,130
Proceeds on sale of warrants	–	(39,100)
Realized gain on sale of warrants	–	39,100
Fair value adjustments	58,632	(129,886)
Balance, end of period	100,876	96,615

(Expressed in Canadian dollars)

6. Investments (continued)

Level 3 fair value hierarchy

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized loss on disposals of investments and the net change in unrealized loss on investments are recognized in the statements of loss and comprehensive loss.

	For the nine months ended November 30, 2024	For the year ended February 29, 2024
	$	$
Balance, beginning of period	2,898,851	490,225
Purchase at cost	150,000	8,493,142
Fair value adjustments	(2,898,851)	(6,084,516)
Balance, end of period	150,000	2,898,851

Within Level 3, the Company includes private company investments which are not quoted on a recognized securities exchange. The key assumptions used in the valuation of these instruments include, but are not limited to, the value at which a recent financing was done by the investee company, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies. When a private company investment changes its status to a publicly-listed investment which meets Level 1 or Level 2 criteria, the investment is transferred out of the Level 3 fair value hierarchy. A transfer is recorded upon the occurrence of a liquidity transaction for an investee company, which includes, but is not limited to, a business combination between the entity and a public corporation pursuant to a reverse takeover, merger, amalgamation, arrangement, take-over bid, or an initial public offering of the entity. The transfers are recorded on the date that such a liquidity transaction is completed.

The following table presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at November 30, 2024:

	Fair value	Method	Unobservable inputs	Range of inputs
	$			
CWE European Holdings Inc.	-	Equity financing	N/A	N/A
First Person Ltd.	-	Equity financing	N/A	N/A
Healthcare Accretion Group Inc.	-	Discounted Cash Flow	Discount rate	20%
Mentorhead Incorporated	-	Transaction price	Recent purchase price	N/A
	-			

As at November 30, 2024, the Company has recognized an impairment of $2,898,851 on its level 3 investments representing the excess of carrying value over fair value, which was derived based on management’s judgements and assumption available at the time of performing the impairment test.

(Expressed in Canadian dollars)

6. Investments (continued)

Level 3 fair value hierarchy

Within Level 3 of the fair value hierarchy, for those investments valued based on recent financings, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at November 30, 2024. A 10% change in the fair value of these investments would result in a corresponding change of approximately +/- $Nil (February 29, 2024 – $290,000) change to the fair value of the investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate the probability of such changes occurring, and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments

Loan receivable

During the year ended February 29, 2024 and amended on May 15, 2024, the Company entered into a loan agreement with Healthcare Accretion Group ("HAG"). Pursuant to this agreement, the Company is obligated to provide funding to HAG through one or more advances, with the total aggregate of all advances not exceeding US$1,500,000 (CAD$2,023,650). Interest on the outstanding principal under the loan shall accrue and be payable to the Company at the prime rate of interest charged by the Bank of Canada per annum, effective from the date of each advance until the complete repayment of the loan. The interest is calculated on a daily basis and aggregated monthly, not in advance, both before and after any default, demand, or judgment. The interest accrues without compounding until the termination date of the loan. HAG shall pay the loan on demand. As at November 30, 2024, the Company had advanced $1,500,226 (US$1,112,021) (February 29, 2024 – $1,023,651 (US$1,389,094)) to HAG and accrued interest receivable of $94,874 (February 29, 2024 – $20,244). As a result of the impairment of the investment in HAG, the Company recorded an impairment of the note receivable and accrued interest of $1,595,100 as at November 30, 2024.

7. Accounts Payable and Accrued Liabilities

	November 30, 2024 $	February 29, 2024 $
Trade accounts payable	342,640	177,840
Accrued liabilities	11,599	82,533
	354,239	260,373

8. Related Party Transactions

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company entered into the following transactions with related parties during the nine months ended November 30, 2024 and 2023.

(a) During the nine months ended November 30, 2024, the Company incurred $20,714 (November 30, 2023 – $Nil) in consulting fees to the Chief Executive Officer (“CEO”) of the Company. As at November 30, 2024, the Company owed $1,660 (February 29, 2024 – $Nil) for expense reimbursement which is included in accounts payable and accrued liabilities.

(b) During the nine months ended November 30, 2024, the Company incurred $47,250 (November 30, 2023 – $47,250) in consulting fees to a company controlled by the Chief Financial Officer (“CFO”) of the Company. As at November 30, 2024, the Company owed $2,100 (February 29, 2024 – $Nil) which is included in accounts payable and accrued liabilities.

(c) During the nine months ended November 30, 2024, the Company incurred $24,415 (November 30, 2023 – $Nil) in consulting fees to a former CEO of the Company.

(d) During the nine months ended November 30, 2024, the Company incurred $5,250 (November 30, 2023 – $21,000) in consulting fees to a company with a director in common. As at November 30, 2024, the Company owed $500 (February 29, 2024 – $500) which is included in accounts payable and accrued liabilities.

(e) During the nine months ended November 30, 2024, the Company incurred $Nil (November 30, 2023 – $99,000) in consulting fees to the former CEO of the Company.

(f) During the nine months ended November 30, 2024, the Company incurred $Nil (November 30, 2023 – $42,000) in consulting fees to the former director of the Company.

(g) During the nine months ended November 30, 2024, the Company recorded share-based payments of $Nil (November 30, 2023 – $104,645) to current and former directors and officers of the Company.

9. Share Capital

Authorized: Unlimited number of common shares without par value

Shares issued during the nine months ended November 30, 2024

During the nine months ended November 30, 2024, the Company issued 400,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.06 for total proceeds of $24,000. The fair value of $7,870 was transferred from warrant reserve to share capital upon exercise of share purchase warrants.

Shares issued during the year ended February 29, 2024

During the year ended February 29, 2024, the Company issued 19,090,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.06 for total proceeds of $1,145,400. The fair value of $385,444 was transferred from warrant reserve to share capital upon exercise of share purchase warrants.

9. Share Capital (continued)

Shares issued during the year ended February 29, 2024 (continued)

On February 9, 2024, the Company issued 6,994,887 units at $0.20 per unit for gross proceeds of $1,398,977. Each unit consisted of one common share and one-half share purchase warrant with each whole share purchase warrant entitle the holder to purchase one additional common share at a price of exercisable at a price of $0.30 per share expiring on February 9, 2026. The fair value of warrants issued was determined to be $247,345 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.19%, dividend yield of 0%, volatility of 179%, and expected life of two years. The company paid cash finder's fee of $236,402 and issued 709,590 finder's warrants exercisable into one common share at a price of $0.20 per share expiring on February 9, 2026. The fair value of the agent's warrants issued were valued at $101,138 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.19%, dividend yield of 0%, volatility of 179%, and expected life of two years. The Company also issued 150,000 common shares at a fair value of $27,000 as finder's fees.

On October 3, 2023, the Company issued 6,250,000 units at $0.20 per unit for gross proceeds of $1,250,000. Each unit consisted of one common share and one-half share purchase warrant with each whole share purchase warrant entitle the holder to purchase one additional common share at a price of exercisable at a price of $0.30 per share expiring on October 3, 2025. The fair value of warrants issued was determined to be $355,545 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.73%, dividend yield of 0%, volatility of 184%, and expected life of two years. The company paid cash finder's fee of $42,376 and issued 186,000 finder's warrants exercisable into one common share at a price of $0.30 per share expiring on October 3, 2025. The fair value of the agent's warrants issued were valued at $35,489 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.73%, dividend yield of 0%, volatility of 184%, and expected life of two years.

On August 30, 2023, the Company issued 37,000,005 common shares with a fair value $8,140,001 pursuant to its investment in Healthcare Accretion Group Inc.

On June 23, 2023, the Company issued 17,000,000 units at $0.05 per unit for gross proceeds of $850,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.06 per share expiring on June 22, 2024. The fair value of warrants issued was determined to be $334,484 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.47%, dividend yield of 0%, volatility of 183%, and expected life of one year.

On June 23, 2023, the Company issued 2,500,000 units with a fair value of $150,000 to debt settle outstanding payables of $125,000 which resulted in a loss on settlement of $25,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.06 per share expiring on June 22, 2024. The fair value of common shares issued was determined to be $150,000 based on the closing stock price on the date of issuance. The fair value of warrants issued was determined to be $59,027 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.47%, dividend yield of 0%, volatility of 183%, and expected life of one year.

(Expressed in Canadian dollars)

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted average exercise price $
Balance, February 28, 2023	4,757,233	0.32
Issued	35,588,033	0.18
Exercised	(19,090,000)	0.06
Expired	(4,757,233)	0.46
Balance, February 29, 2024	16,498,033	0.32
Exercised	(400,000)	0.06
Expired	(8,580,000)	0.35
Balance, November 30, 2024	7,518,033	0.29

As at November 30, 2024, the Company had the following share purchase warrants outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
3,311,000	0.30	October 3, 2025
3,497,443	0.30	February 9, 2026
709,590	0.20	February 9, 2026
7,518,033		

11. Stock Options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. Options may be exercisable for a maximum of ten years from the date of grant.

On September 1, 2023, the Company granted 500,000 stock options to directors and officers of the Company. These stock options entitle the holders thereof the right to purchase one common share for each option at $0.25 per share expiring on September 1, 2025. The stock option vested on the date of grant. The stock options were valued at $104,645 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.96%, dividend yield of 0%, volatility of 225%, and expected life of two years.

(Expressed in Canadian dollars)

11. Stock Options (continued)

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

	Number of options	Weighted average exercise price $
Outstanding, February 28, 2023	400,000	0.32
Granted	500,000	0.25
Outstanding, February 29, 2024	900,000	0.28
Forfeited	(50,000)	0.45
Outstanding, November 30, 2024	850,000	0.27

Additional information regarding stock options outstanding as at November 30, 2024 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.30	350,000	0.06	0.30
0.25	500,000	0.44	0.25
	850,000	0.52	0.33

12. Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of other financial instruments, which include cash and cash equivalents, accrued interest receivable, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

12. Risk Management (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, accrued interest receivable, loan receivable and convertible debenture receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share subscriptions receivable, warrant reserve, share-based payments reserve, and equity component of convertible debt.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company’s overall strategy with respect to capital risk management remained unchanged from the year ended February 29, 2024.

14. Commitment

On December 20, 2023, the Company and Mentorhead Incorporated entered into an intellectual property licence and option agreement pursuant to which Limmi granted to Vinergy Licensing Corp., a U.S. subsidiary of the Company, created for the purpose to facilitate this transaction, certain rights to the Limmi AIP in exchange for 350 common shares (each VAC share) described below. The Company has also been granted an option by Limmi to acquire the Limmi AIP for health care services exclusively at any time within the next 24 months.

A VAC share will be exchangeable into the Company's Class A shares (as defined below) on the basis of one VAC share for 100,000 of the Company's Class A shares, subject to the following conditions:

a) 100 VAC shares shall be exchangeable into Company's Class A shares upon the Company raising aggregate gross proceeds of $2,800,000 on a prorate basis;
b) 50 VAC shares shall be exchangeable into the Company's Class A shares in the event the company achieves gross profit of at least $1,250,000 in any quarter;
c) 200 VAC shares shall be exchangeable into the Company's Class A shares in the event that the Company exercises its option for exclusivity of the Limmi AIP for health care services.

In connection with the foregoing, the Company created a new class of non-voting common shares of the Company. The Company's Class A shares shall have the same attributes as the common shares of the Company, except that the Company's Class A shares will not be listed on the Canadian Securities Exchange, will not carry the right to vote and will be convertible into common shares of the company on a one-for-one basis, subject to certain conditions, including a prohibition on the holder of the Company's Class A shares from converting such shares into common shares if it would result in such holder holding more than 9.9 per cent of the common shares.

In connection with the transactions noted above, the Company agreed to issue to an arm's-length finder one million common shares on April 16, 2025. The common shares to be issued in connection with the transactions will be issued at a deemed price of 18 cents per common share, being the discounted market price of the common shares on the date of execution of the letter of intent between the Company and Limmi.

On August 15, 2024, the Company and Mentorhead Incorporated mutually terminated the agreement.