Unaudited Interim Condensed Consolidated Financial Statements of

MOUNTAIN VALLEY MD HOLDINGS INC.

For the three and nine months ended December 31, 2024 and 2023

(Expressed in thousands of Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

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

MOUNTAIN VALLEY MD HOLDINGS INC.

Interim Condensed Consolidated Statements of Financial Position
(Expressed in thousands of Canadian Dollars)
(Unaudited)

	Note	December 31, 2024 $	March 31, 2024 $
Assets			
Current assets:			
Cash and cash equivalents		**2,362**	5,915
Loan receivable	4	**272**	-
HST recoverable		**57**	60
Inventory	5	**1,852**	1,218
Purchase consideration receivable	6	**53**	60
Prepaids, deposits and other	7	**1,231**	152
		5,827	7,405
Non-current assets:			
Intangible assets	8	**1,171**	110
Investments in equity instruments	9	**305**	929
Capital assets	10	**434**	522
		1,910	1,561
Total assets		**7,737**	8,966
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		**56**	178
Deferred revenue	11	**52**	80
		108	258
Total liabilities		**108**	258
Equity			
Share capital	12	**53,338**	52,203
Contributed surplus	12	**8,436**	8,294
Deficit		**(54,145)**	(51,789)
		7,629	8,708
Total liabilities and equity		**7,737**	8,966

Nature of operations and going concern – Note 1

Approved on behalf of the Board:

"Dennis Hancock"
Director

"Nancy Richardson"
Director

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

MOUNTAIN VALLEY MD HOLDINGS INC.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of Canadian Dollars, except for per share amounts)
(Unaudited)

		Three months ended December 31,		Nine months ended December 31,	
	Note	**2024** **$**	2023 $	**2024** **$**	2023 $
Revenue		**3**	60	**31**	60
Expenses:					
Amortization of intangible assets	8	**31**	87	**74**	262
Depreciation of capital assets and right-of-use assets		**31**	12	**92**	42
General and administrative		**710**	768	**2,645**	1,880
Research and development		**31**	123	**50**	164
Impairment of intangible assets	8	**-**	3,818	**-**	3,818
Stock-based compensation	12	**21**	49	**142**	194
Gain on receipt of inventory at zero cost	5	**-**	-	**(406)**	-
Loss before other items		**821**	4,797	**2,566**	6,300
Other items					
(Gain) Loss on investments in equity instruments	9	**306**	5	**(113)**	5
Interest income		**(20)**	(70)	**(97)**	(196)
Net loss and comprehensive loss for the period before income tax recovery		**1,107**	4,732	**2,356**	6,109
Income tax recovery		**-**	-	**-**	(92)
Net loss and comprehensive loss for the period		**1,107**	4,732	**2,356**	6,017
Basic and diluted loss per share		**(0.00)**	(0.01)	**(0.01)**	(0.02)
Weighted average number of shares outstanding – basic and diluted		**352,354,962**	329,653,424	**347,154,246**	329,653,424

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

MOUNTAIN VALLEY MD HOLDINGS INC.

Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in thousands of Canadian Dollars, except for per share amounts)

	Common Shares Number of Shares	Common Shares Share Capital $	Contributed surplus $	Warrants $	Deficit $	Total Shareholders' Equity $
Balance at March 31, 2023	**329,653,424**	**52,203**	**4,942**	**3,152**	**(44,119)**	**16,178**
Issuance of stock options	-	-	194	-	-	**194**
Warrants expiry	-	-	3,152	(3,152)	-	**-**
Net loss for the period	-	-	-	-	(6,017)	**(6,017)**
Balance at December 31, 2023	**329,653,424**	**52,203**	**8,288**	**-**	**(50,136)**	**10,355**
Issuance of stock options	-	-	6	-	-	**6**
Net loss for the period	-	-	-	-	(1,653)	**(1,653)**
Balance at March 31, 2024	**329,653,424**	**52,203**	**8,294**	**-**	**(51,789)**	**8,708**
Shares issued per license agreement	22,701,538	1,135	-	-	-	**1,135**
Issuance of stock options	-	-	142	-	-	**142**
Net loss for the period	-	-	-	-	(2,356)	**(2,356)**
Balance at December 31, 2024	**352,354,962**	**53,338**	**8,436**	**-**	**(54,145)**	**7,629**

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

MOUNTAIN VALLEY MD HOLDINGS INC.

Interim Condensed Consolidated Statements of Cash Flows
For the nine months ended December 31, 2024 and 2023
(Expressed in thousands of Canadian Dollars)
(Unaudited)

	2024	2023
	$	$
Cash (used in) provided by:		
Operating activities:		
Net loss for the period	**(2,356)**	(6,017)
Adjustments for:		
Amortization of intangible assets	**74**	262
Depreciation of capital asset and right-of-use assets	**92**	42
Gain on receipt of inventory at zero cost	**(406)**	-
Stock-based compensation	**142**	194
Write-down of inventory	**55**	-
Gain from investments in equity instruments	**(113)**	5
Impairment of intangible assets	**-**	3,818
Income tax recovery	**-**	(109)
	(2,512)	(1,805)
Changes in non-cash working capital:		
HST recoverable	**3**	44
Inventory	**(283)**	-
Purchase consideration receivable	**7**	-
Prepaids, deposits and other	**(342)**	(295)
Accounts payable and accrued liabilities	**(122)**	(238)
Deferred revenue	**(28)**	(60)
Cash used in operating activities	**(3,277)**	(2,354)
Investing activities:		
Purchase of intangible assets	**-**	(7)
Purchase of capital assets	**(4)**	(496)
Loan receivable	**(272)**	-
Cash used in investing activities	**(276)**	(503)
Decrease in cash and cash equivalents	**(3,553)**	(2,857)
Cash and cash equivalents, beginning	**5,915**	9,714
Cash and cash equivalents, ending	**2,362**	6,857

Non-cash transactions – Note 17

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

1. NATURE OF OPERATIONS AND GOING CONCERN.

Mountain Valley MD Holdings Inc. ("MVMDH" or the "Company"), was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company is a biotech company focused on advancing solutions to optimize human, animal, and plant health.

The Company's common shares trade on the Canadian Securities Exchange under the ticker symbol "MVMD."

The address of the Company's registered and records office is 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6 and the principal place of business is 260 Edgeley Boulevard, Unit 4, Vaughan, Ontario, Canada, L4K 3Y4.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities for at least twelve months from December 31, 2024.

As at December 31, 2024, the Company has cash and cash equivalents of $2,362 (March 31, 2024 - $5,915) and working capital of $5,719 (March 31, 2024 - $7,147). For the nine months ended December 31, 2024, the Company incurred a net loss of $2,356 (December 31, 2023 - $6,017) and used cash in operating activities of $3,277 (December 31, 2023 - $2,354). These factors indicate a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values and meet its obligations is dependent upon generating revenues or obtaining additional financing sufficient to cover its operating costs. Management is of the opinion that sufficient funding will be obtained from revenues and/or external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that sufficient revenues will not be achieved or additional financing will not be available on a timely basis or on terms acceptable to the Company. These unaudited condensed interim consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that may be necessary if the Company were to be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Therefore, these interim condensed consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2024, which have been prepared in accordance with IFRS.

The Company's board of directors approved the release of these interim condensed consolidated financial statements on February 27, 2025.

b) Basis of measurement

In preparing the interim condensed consolidated financial statements, the Company makes judgments in applying its accounting policies. The judgments that have the most significant effect on the amounts recognized in the consolidated financial statements are outlined below in section c). In addition, the preparation of consolidated financial statements in conformity with IFRS requires the use of estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about assumptions and other sources of estimation uncertainty as at December 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are outlined below in section c).

c) Areas of significant judgment and estimation uncertainty

In preparation of the interim condensed consolidated financial statements, the significant estimates and judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended March 31, 2024.

3. MATERIAL ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended March 31, 2024. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2024.

a) New and revised standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing April 1, 2024:

- Definition of Accounting Estimates – Amendments to IAS 8;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

b) New and revised standards issued but not yet effective

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of the standard on the consolidated financial statements.

4. LOAN RECEIVABLE

On March 28, 2024, the Company entered into an amended and restated technology license agreement with a privately held Ontario corporation (the "Licensee") whereby the Licensee will pay the Company royalties starting at 30% and lowering to 15% after achieving a net sales threshold, based on sales of Soluvec™1% products in Bangladesh that use the Quicksol™ technologies. The tiered royalties are structured in contemplation of the Company having provided investment support to the Licensee for investment in manufacturing set-up, business development, and marketing support that the Licensee is responsible to coordinate inside of Bangladesh, in addition to the Licensor's previous R&D investments. As part of the agreement, the Company provided a loan of US$200 ($272) to the Licensee on April 19, 2024 in addition to previous R&D investments of US$110, making the total repayable loan balance US$310. The investment balance will be reduced by 20% of the royalties received by the Licensee each quarter. The Company has the right to demand payment of the loan in full if the Licensee is unable to generate royalties. The US$110 of loan balance was previously expensed during the year ended March 31, 2024, therefore the balance of the loan on the statement of financial position is US$200 ($272) while the repayable loan balance is US$310 ($422).

(Expressed in thousands of Canadian Dollars)

5. INVENTORY

Inventory as at December 31, 2024 consists of finished goods purchased from a third party for US$1,369 ($1,852).

	December 31, 2024	March 31, 2024
	$	$
Finished product	**1,852**	1,218
	1,852	1,218

Inventory recognized as an expense during the three and nine months ended December 31, 2024 amounted to $1 and $1 (2023 - $nil and $nil).

On August 26, 2024, the Company received 40,000 additional units of inventory of the product for no consideration under the terms of the April 2024 Agreement with Agrarius Corp. (Note 8). The Company wrote the inventory back up to its weighted average cost and recognized a gain on receipt of inventory at zero cost of $406 on the date the inventory was received. The inventory was written-down to net realizable value on March 31, 2024, and accordingly $406 was included in write-down of inventory in the consolidated statement of loss and comprehensive loss during the year ended March 31, 2024.

On September 9, 2024, the Company purchased 14,000 additional units of inventory of the product at $15 per unit (US$210 ($285)).

6. PURCHASE CONSIDERATION RECEIVABLE

On April 4, 2019, the Company entered into a subscription and share purchase agreement with Sativa Nativa SAS ("Sativa Nativa"). Sativa Nativa is a company incorporated in the Republic of Columbia and is a cultivator of cannabis.

On May 31, 2022, the Company signed a share purchase agreement to dispose of its shareholdings in Sativa Nativa for $426. The Company received $366 on July 5, 2022 and $10 on April 29, 2024. The remaining receivable of $53 is recorded as purchase consideration receivable.

7. PREPAID, DEPOSITS AND OTHERS

	December 31, 2024	March 31, 2024
	$	$
Prepaid insurance, listing fees and other	**99**	133
Inventory deposit[1]	**1,113**	-
Lease deposits	**19**	19
	1,231	152

[1] Paid US$275 ($376) for prepaid inventory of the product under the terms of the April 2024 Agreement with Agrarius Corp. (Note 8) and sold equity investments for inventory of US$540 ($737) (Note 9).

8. INTANGIBLE ASSETS

On December 20, 2019, the Company entered into an intellectual property asset purchase agreement with a private Delaware corporation in the business of developing, manufacturing and licensing desiccated liposomes. The Company acquired a portfolio of patents and trademarks. Management determined all the value is attributable to the patents.

On April 24, 2024, the Company entered into an Amended and Restated Supply and License Agreement (the "April 2024 Agreement") with Agrarius Corp. ("Agrarius"), a private US corporation, whereby , among other things, the Company acquired an exclusive license to sell the product using Agrarius' agricultural plant signaling technology (the "Technology") in North America, Mexico, South America, Central America and the Caribbean, while retaining its global non-exclusive rights outside of the exclusive territories. The April 2024 Agreement also implements a performance guarantee program ("PGP") for farm operations in the United States, whereby the prospective client will be required to pay for the Agrarius product only after it has achieved a minimum agreed performance enhancement on the targeted crop. Under the terms of the April 2024 Agreement, the Company:

(Expressed in thousands of Canadian Dollars)

- Issued 22,701,538 common shares at the fair value of $1,135 for the exclusive license in certain territories;
- Paid US$240 ($328) for the rights in the PGP;
- Paid US$275 ($376) for prepaid inventory of the product (Note 7); and,
- Received 40,000 additional units of inventory of the product for no consideration (Note 5).
- Agreed to invest a minimum of US$1,000 per calendar year, including but not limited to labour, inventory and logistics. The Company has met the calendar 2024 investment commitment.

The Company's intellectual property and technology-based intangible assets consist of the following:

	Intellectual Property	Agrarius License	Total
	$	$	$
Cost:			
As at March 31, 2023	5,267	-	5,267
Additions	7	-	7
Impairment	(3,818)	-	(3,818)
As at March 31, 2024	1,456	-	1,456
Additions	-	1,135	1,135
As at December 31, 2024	1,456	1,135	2,591
Accumulated amortization:			
As at March 31, 2023	1,082	-	1,082
Depreciation	264	-	264
As at March 31, 2024	1,346	-	1,346
Depreciation	7	67	74
As at December 31, 2024	1,353	67	1,420
Carrying amounts:			
As at March 31, 2024	110	-	110
As at December 31, 2024	103	1,068	1,171

a) During the nine months ended December 31, 2024 and 2023, the Company recorded additions of $1,135 (2023 - $nil) related to the April 2024 Agreement with Agrarius, and additions of $nil (2023 - $7) related to direct costs to acquire new patents.

b) During the three and nine months ended December 31, 2024 and 2023, the Company recorded $29 and $67 (2023 - $nil and $nil) of depreciation based on the estimated useful life of the exclusive license and $2 and $7 (2023 - $87 and $262) of depreciation based on the estimated useful life of the portfolio of patents.

(Expressed in thousands of Canadian Dollars)

9. INVESTMENTS IN EQUITY INSTRUMENTS

The following summarizes the Company's investments at December 31, 2024 and for the nine months ended December 31, 2024:

	March 31, 2024 $	Additions $	Change in fair value $	Disposals $	December 31, 2024 $
Circadian Wellness Corp. (b)	611	-	(306)	-	305
Agrarius Corp. (c)	203	-	329	(532)	-
Agroresults Inc. (d)	115	-	90	(205)	-
	929	-	113	(737)	305

The following summarizes the Company's investments at March 31, 2024 and during the year ended March 31, 2024:

	March 31, 2023 $	Additions $	Change in fair value $	Disposals $	March 31, 2024 $
Sixth Wave Innovations Inc. (a)	5	-	(5)	-	-
Circadian Wellness Corp. (b)	1,222	-	(611)	-	611
Agrarius Corp. (c)	203	-	-	-	203
Agroresults Inc. (d)	115	-	-	-	115
	1,545	-	(616)	-	929

a) Sixth Wave Innovations Inc.

During the year ended March 31, 2024, Sixth Wave had entered into an agreement with a secured lender pursuant to which such secured lender would exercise its right to foreclose on Sixth Wave's assets. Accordingly, the Company wrote-down the fair value of this investment to be $nil.

b) Circadian Wellness Corp.

The Company owns 1,222,222 shares (post 3:1 share split on May 27, 2021) of Circadian Wellness Corp. ("Circadian"), a licensee of the Company (Note 11) and a private Ontario corporation focusing on mushroom farming, extraction, clinical research and development, and end-user consumer health and wellness products and retreats.

As at March 31, 2024, management fair valued Circadian using Level 3 inputs under the IFRS 13 fair value hierarchy. During the year ended March 31, 2024, the Company recorded a change in value of investment of $611 based on the most recent private financing in progress by Circadian. During the nine months ended December 31, 2024, management determined that the value had decreased to an estimated value of $305.

c) Agrarius Corp.

On October 4, 2022, the Company made an equity investment of $203 in Agrarius, a licensor to the Company (Note 8) and a private US corporation.

As at March 31, 2024, management fair valued Agrariususing Level 3 inputs under the IFRS 13 fair value hierarchy. The fair value was based on the purchase price of the shares in Agrarius.

(Expressed in thousands of Canadian Dollars)

On May 21, 2024, the Company entered into a Share Redemption Agreement with Agrarius. to sell the equity investments held by the Company in exchange for inventory of US$390 ($532) (Note 5). The sale resulted in a gain on investment in equity instruments of $329.

d) Agroresults Inc.

On November 4, 2022, the Company converted a note receivable of $115 into 1,072 common shares of Agroresults Inc., a private Canadian company, and majority owner of Agrarius, representing 1% ownership of Agroresults Inc. at the time of issuance.

As at March 31, 2024, management fair valued Agroresults Inc. using Level 3 inputs under the IFRS 13 fair value hierarchy. The fair value was based on the conversion price of the shares.

On May 21, 2024, the Company entered into a Share Redemption Agreement with Agroresults Inc. to sell the equity investments held by the Company in exchange for inventory of US$150 ($205) (Note 5). The sale resulted in gain on investment in equity instruments of $90.

10. CAPITAL ASSETS

	Office and Lab Equipment $	Leasehold Improvements $	Total $
Cost:			
At March 31, 2023	221	109	330
Additions	496	-	496
At March 31, 2024	717	109	826
Additions	-	4	4
At December 31, 2024	**717**	**113**	**830**
Accumulated amortization:			
At March 31, 2023	93	66	159
Depreciation	123	22	145
At March 31, 2024	216	88	304
Depreciation	75	17	92
At December 31, 2024	**291**	**105**	**396**
Carrying amounts:			
At March 31, 2024	501	21	522
At December 31, 2024	**426**	**8**	**434**

11. DEFERRED REVENUE

On February 25, 2021, the Company entered into a commercial license agreement with Circadian . The license agreement provides for, among other things, the use and application of the Company's Quicksome™ technology to mushroom nutraceutical products in consideration of ongoing product royalties and an initial advance payment in the amount of $250, made up of $200 cash and $50 of equity shares of the privately held corporation.

During the three and nine months ended December 31, 2024, the Company applied $nil and $28 (2023 - $60 and $60) of formulation work to revenue.

12. SHARE CAPITAL

a) Share Capital

Authorized

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value.

(Expressed in thousands of Canadian Dollars)

Issued and outstanding

The Company has issued share capital of 352,354,962 Common Shares at December 31, 2024 (March 31, 2024 - 329,653,424).

Share issuances

The Company issued 22,701,538 common shares at the fair value of $1,135 for the exclusive license and rights acquired from Agrarius under the April 2024 Agreement (Note 8).

During the year ended March 31, 2024, no shares were issued.

b) Stock Options

The Company has a stock option plan, under which the Board of Directors is authorized to grant options to employees, directors, officers and consultants, enabling them to acquire up to 10% of the issued and outstanding share capital of the Company. The exercise price of each option is based on the market price of the Company's share as calculated on the date of grant or the date preceding the date of grant, whichever is higher. The options can be granted for a maximum term of ten years, as determined by the Company's Board of Directors. Options granted to investor relations consultants are subject to vesting provisions, with no more than ¼ vesting during any three-month period. Vesting provisions for other options are determined by the Company's Board of Directors.

On September 11, 2023, the Company granted 500,000 stock options at $0.05 to a former CFO of the Company. The options are exercisable for a period of five (5) years from the date of grant, unless terminated earlier in accordance with the terms of the stock option plan. The options vest over a one (1) year period.

On December 15, 2023, the Company granted 500,000 stock options at $0.05 to a former CFO of the Company. The options are exercisable for a period of five (5) years from the date of grant, unless terminated earlier in accordance with the terms of the stock option plan. The options vest over a one (1) year period.

On April 4, 2024, the Company granted 3,000,000 stock options at $0.06 to directors, officers, employees and consultants at an exercise price of $0.06. The options are exercisable for a period of five (5) years from the date of grant, unless terminated earlier in accordance with the terms of the stock option plan. The options vest over a one (1) year period.

The table below summarizes assumptions used by the Company in calculating the value of stock options based on the Black-Scholes Model:

	December 31, 2024	March 31, 2024
Average share price	$0.06	$0.04
Expected dividend yield	$nil	$nil
Volatility	141%	96%(1)
Expected life (years)	5	5
Forfeiture rate	10%	10%
Risk-free rate	3.63%	3.67%

(1) Volatility was estimated using the average comparable companies in the industry that have trading history and volatility history.

(Expressed in thousands of Canadian Dollars)

The activity of the stock options during the nine months ended December 31, 2024 and the year ended March 31, 2024 is as follows:

	Stock Options #	**Weighted Average Exercise price $**
Outstanding, March 31, 2023	19,643,500	0.15
Granted	1,000,000	0.05
Forfeited	(2,875,000)	0.17
Outstanding, March 31, 2024	17,768,500	0.14
Granted	3,000,000	0.06
Forfeited	(1,450,000)	0.30
Outstanding, December 31, 2024	**19,318,500**	**0.11**
Exercisable, December 31, 2024	**17,818,500**	**0.12**

The summary of the Company's stock options outstanding and exercisable as at December 31, 2024, is as follows:

Expiry date	**Stock Options Outstanding #**	**Stock Options Exercisable #**	**Exercise price $**	**Remaining contractual life (Years)**
March 13, 2025	3,585,000	3,585,000	0.07	0.20
May 3, 2025	4,288,500	4,288,500	0.05	0.34
December 1, 2025	135,000	135,000	0.01	0.92
December 14, 2025	1,000,000	1,000,000	0.29	0.95
July 14, 2026	2,390,000	2,390,000	0.27	1.53
January 25, 2027	1,900,000	1,900,000	0.22	2.07
April 7, 2027	50,000	50,000	0.13	2.27
March 31, 2028	2,470,000	2,470,000	0.05	3.18
September 11, 2028	500,000	500,000	0.05	3.70
April 4, 2029	3,000,000	1,500,000	0.06	4.26
	19,318,500	**17,818,500**	**0.12**	**1.73**

c) Warrants

The activity of the share purchase warrants during the nine months ended December 31, 2024 and the year ended March 31, 2024 is as follows:

	Warrants #	**Weighted Average Exercise price $**
Outstanding, March 31, 2023	875,000	0.48
Expired	(875,000)	0.48
Outstanding and exercisable, March 31, 2024 and December 31, 2024	**-**	**-**

13. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management consists of personnel having the authority and responsibility for planning, directing and controlling the activities of the Company, which are the directors and executive officers of the Company. The following transactions were incurred with key management:

(Expressed in thousands of Canadian Dollars)

	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Consulting fees				
CEO	**44**	41	**131**	124
CFO	**26**	50	**85**	126
Director fees	**24**	24	**73**	73
Stock-based compensation				
CEO	**7**	11	**47**	58
CFO	**2**	(6)	**15**	21
Directors	**2**	3	**12**	15
	105	123	**363**	417

b) Transactions with other related parties

A related party exists when one party has the ability to directly or indirectly exercise control, joint control or significant influence over the other, or is a member, or close family member, of a member of the key management personnel of the Company. Related party transactions are in the normal course of operations and are measured at exchange amounts established and agreed upon by the parties.

Included in accounts payable and accrued liabilities at December 31, 2024 is an amount of $12 (March 31, 2024 - $11) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

During the three and nine months ended December 31, 2024, the Company incurred $25 and $74 (2023 - $20 and $60) of consulting fees (IT and branded communications management) with a close family member of a member of the key management personnel of the Company. The business purpose of the transactions was for ongoing management of all digital assets of the Company including websites, emails, social platforms and file share databases as well as branded elements including marketing materials. During the three and nine months ended December 31, 2024, the Company incurred $4 and $12 (2023 - $4 and $12) of office fees with a close family member of a member of the key management personnel of the Company. The business purpose of the transactions was for general office administration and maintenance.

*Certain comparative information for the three and nine months ended December 31, 2023 has been restated to include consulting fees and share-based compensation relating to close family members of a member of the key management personnel of the Company.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, loan receivable, purchase consideration receivable, accounts payable and accrued liabilities and corporate taxes payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values based on their current nature and current market rates for similar financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability
either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

(Expressed in thousands of Canadian Dollars)

As at December 31, 2024, the Company did not have any financial assets and liabilities which are measured at fair value, other than equity investments. There were no transfers between Level 1, 2 or 3 during the nine months ended December 31, 2024.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash and cash equivalents, loan receivable and purchase consideration receivable. The amount of credit risk related to cash and cash equivalents is considered insignificant as the Company's funds are held with a large Canadian bank.

The credit risk for the cash and cash equivalent, loan receivable and purchase consideration receivable is monitored quarterly, and any change is reflected as an adjustment through expected credit loss.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities.

As at December 31, 2024, the Company has cash and cash equivalents of $2,362 (March 31, 2024 - $5,915) and working capital of $5,719 (March 31, 2024 - $7,147). For the nine months ended December 31, 2024, the Company incurred a net loss of $2,356 (2023 - $6,017) and used cash in operating activities of $3,277 (2023 - $2,353).

Refer to Note 1 for going concern risk.

As at December 31, 2024, the Company's financial liabilities have contractual maturities as summarized below:

	0-12 months $	Due within 1-2 years $	2-3 years $
Accounts payable and accrued liabilities	56	-	-

c) Market risk

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

<u>Sensitivity analysis</u>

The Company has completed a sensitivity analysis to estimate the impact on comprehensive earnings which a change in the equity investments would have on the Company during the nine months ended December 31, 2024. As a result, a 10% change in the equity investments will translate to a $31 (March 31, 2024 - $93) gain or loss from equity investments.

15. SEGMENT INFORMATION

a) Description of segments

Management has determined that the Company has one reportable operating segment, being research and development of its delivery, solubility, and adjuvant technologies. This segment accounts for all of the Company's operating expenses. Determination of the operating segment was based on the level of financial reporting to the Company's chief decision makers.

The Company's revenue during the nine months ended December 31, 2024 was derived from Canada.

(Expressed in thousands of Canadian Dollars)

b) Entity-wide disclosure

The total non-current assets other than financial instruments, broken down by location of the assets, is shown below:

	December 31, 2024 $	March 31, 2024 $
Canada	**119**	142
United States	**1,486**	490
	1,605	632

16. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

17. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flows. During the nine months ended December 31, 2024, the following transactions were excluded from the condensed interim statement of cash flows:

a) Issuance of 22,701,538 common shares at the fair value of $1,135 pursuant to the April 2024 Purchase Agreement with Agrarius (Note 8); and

b) Equity investments exchanged for $737 of prepaid inventory (Note 7).

During the nine months ended December 31, 2023, there were no investing and financing transactions excluded from the condensed interim consolidated statement of cash flows.