ENTHEON BIOMEDICAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2024 AND 2023

(Expressed in Canadian Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Entheon Biomedical Corp.

Opinion

We have audited the consolidated financial statements of Entheon Biomedical Corp. and its subsidiaries (together, the "Company") which comprise:

- the consolidated statements of financial position as at November 30, 2024 and November 30, 2024;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2024 and 2023, and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended November 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
March 4, 2025

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

As at	November 30, 2024	November 30, 2023
	$	$
Assets		
Current assets		
Cash and equivalents	136,494	344,633
Other receivables	4,241	6,234
Prepaid expenses	39,404	45,210
	180,139	396,077
Non-current assets		
Restricted cash	5,000	5,000
	185,139	401,077
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	39,811	85,326
Shareholders' equity		
Share capital (Note 6)	20,108,199	19,960,699
Reserves (Note 6)	961,866	1,663,366
Deficit	(20,924,737)	(21,308,314)
	145,328	315,751
	185,139	401,077

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 11)

Approved and authorized for issue on behalf of the Board on March 4, 2025:

"Timothy Ko", Director   *"Christopher Gondi"*, Director

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

ENTHEON BIOMEDICAL CORP.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended
Expressed in Canadian Dollars

	November 30, 2024	November 30, 2023
	$	**$**
Revenue		
Consulting (Note 4)	-	250,323
	-	250,323
Operating expenses		
General and administrative (Note 7)	332,661	561,955
Share-based compensation (Note 6)	-	1,180
	332,661	563,135
Other (income) expense		
Interest income	(15,107)	(7,323)
Foreign exchange loss	369	201
Other income	-	(1,293)
Gain on settlement of shares (Note 3)	-	(4,396)
	(14,738)	(12,811)
Net loss and comprehensive loss	317,923	300,001
Net loss per share		
Basic and diluted	$0.04	$0.05
Weighted average number of common shares outstanding	7,738,579	5,908,926

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

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Common Shares				
	Number of shares	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance November 30, 2022	5,908,926	19,353,525	2,872,230	(21,611,183)	614,572
Share-based compensation	-	-	1,180	-	1180
Options expired during the year	-	-	(602,870)	602,870	-
Warrants expired during the year	-	607,174	(607,174)	-	-
Loss for the year	-	-	-	(300,001)	(300,001)
Balance, November 30, 2023	5,908,926	19,960,699	1,663,366	(21,308,314)	315,751

	Common Shares				
	Number of shares	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance November 30, 2023	5,908,926	19,960,699	1,663,366	(21,308,314)	315,751
Adjustment to share balance	8	-	-	-	-
Private placement issuance	2,950,000	147,500	-	-	147,500
RSUs expired during the year	-	-	(701,500)	701,500	-
Loss for the year	-	-	-	(317,923)	(317,923)
Balance, November 30, 2024	8,858,934	20,108,199	961,866	(20,924,737)	145,328

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

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Cash Flows
For the years ended
Expressed in Canadian Dollars

	November 30, 2024	November 30, 2023
	$	$
Cash provided by (used in):		
Operating activities		
Net loss and comprehensive loss	(317,923)	(300,001)
Items not affecting cash:		
Gain on investment settlement	-	(4,396)
Share-based compensation	-	1,180
Changes in non-cash working capital balance:		
Other receivables	1,993	35,885
Prepaid expenses	5,806	(23,273)
Accounts payable and accrued liabilities	(45,515)	(69,324)
Cash used in operating activities	(355,639)	(359,929)
Investing activities		
Proceeds from investment settlements (Note 3)	-	4,396
Restricted cash	-	20,000
Cash provided by investing activities	-	24,396
Financing activities		
Proceeds from equity financing	147,500	-
Cash provided by financing activities	147,500	-
Decrease in cash	(208,139)	(335,533)
Cash, beginning of the year	344,633	680,166
Cash and equivalents, end of the year	136,494	344,633
Supplemental cash flow disclosures:		
Income taxes paid	-	-
Interest paid	-	-

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

1. NATURE OF BUSINESS AND GOING CONCERN

Entheon Biomedical Corp. ("Entheon") or ("the Company") was incorporated on April 6, 2010 under the Canadian Business Corporations Act and maintains its head office at Suite 720, 999 West Broadway, Vancouver, British Columbia, Canada, V5Z 1K5 and registered office at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is traded on the Canadian Securities Exchange ("CSE") under symbol ENBI.

These consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company's operations do not generate sufficient cash flow. The Company has incurred losses since inception and had an accumulated deficit of $20,924,737 as at November 30, 2024. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company identify a suitable asset or business acquisition, it would be required to raise additional capital to finance the transaction.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the consolidated financial statements. These adjustments could be material.

These consolidated financial statements were authorized for issue on March 4, 2025, by the directors of the Company.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Entheon Holdings Corp. ("Entheon Holdings"), HaluGen Life Sciences Inc. ("Halugen") and Lobo Genetics Inc. ("Lobo"). All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

2. BASIS OF PREPARATION (continued)

Foreign currency transactions

The functional currency for Entheon and its wholly-owned subsidiaries including Entheon Holdings, HaluGen and Lobo, is the Canadian dollar. Transactions in currencies other than the functional currency of the reporting entity are recorded at rates of exchange prevailing on the dates of such transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at rates prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in the foreign currency are not re-translated.

Critical estimates and judgements

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The valuation of options and warrants requires estimation and assumptions for valuation techniques. Changes in such assumptions and estimates could materially impact the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and judgment on the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Revenue Recognition

Consulting Services

Revenue from consulting services is recognized over time based on the completion of contractual performance obligations.

The Company applies IFRS 15, Revenue from Contracts with Customers. Accordingly, revenue is recognized with a client obtains controls of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue is measured based on the consideration specified in the contract with a client and excludes amounts collected on behalf of third parties.

2. BASIS OF PREPARATION (continued)

Revenue Recognition (continued)

The Company's generates revenues through a contract with a customer in which one of the Company's employees provides consulting services to the customer. Revenue relating to the services is recognized when the deliverables for services are provided to the customer and an amount that reflects the consideration the Company expects to receive in exchange for the goods and services. Revenues from these contracts are recognized monthly over the term of the contract when invoiced to the customer by the Company.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is computed by dividing net loss available to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the reporting period where ordinary shares include Common shares. If applicable, diluted income per share is computed similar to basic income per share except that the weighted average shares outstanding are increased to include potential ordinary shares for the assumed exercise of share options, warrants, and convertible debentures, if dilutive. The number of potential ordinary shares is calculated by assuming that outstanding share options, warrants and convertible debentures were exercised or converted and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. For the years presented, this calculation proved to be anti-dilutive.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and options are classified as equity instruments.

2. BASIS OF PREPARATION (continued)

Share capital (continued)

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in private placements is determined to be the more easily measurable component as they are valued at their fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to share capital.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

These consolidated financial statements reflect the 10:1 share consolidation approved by the board of directors on February 20, 2024.

Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share option reserve. The Company records stock-based compensation expense for service-based stock options on a graded method over the requisite service period. The Company records stock-based compensation expense for non-market performance-based stock options on a graded method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company transfers the value of expired unexercised vested stock options and compensatory warrants to deficit or share capital from reserves on the date of expiration based on the nature of the item.

Income taxes

Current income tax - current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Deferred income tax - Deferred income tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Income taxes (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current income and deferred tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

New accounting standards issued but not yet effective

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2023, or later periods. The Company has not early adopted these new standards in preparing these consolidated financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. INVESTMENTS

	Mydecine Innovation Group Inc. Common Shares
Balance, November 30, 2022	$ -
Shares received	14,608
Realized loss on share settlement	(10,212)
Settlement	4,396
Balance, November 30, 2023	$ -

In connection with a share exchange agreement, dated on June 16, 2020, between the Company, MindLeap Health Inc. and Mydecine Innovation Group Inc. ("Mydecine"), on February 28, 2023 the Company received an additional 26,560 common shares in the capital of Mydecine. The fair value of the common shares issued was determined to be $14,608 based on the market value at the time of issuance. During the year ended November 30, 2023, the Company sold 26,560 common shares in the capital of Mydecine for total proceeds of $4,396. A realized loss on investment of $10,212 was recognized in the consolidated statement of comprehensive loss for the year ended November 30, 2023.

(Expressed in Canadian dollars)

4. SALE OF CLINICAL RESEARCH TECHNOLOGY

On July 8, 2022, the Company completed the sale of certain technology known as EBRX-101 to Cybin IRL Limited ("Cybin IRL"), a subsidiary of Cybin Inc. pursuant to an asset purchase agreement for a purchase price of $1,000,000. In connection with the transaction, Cybin IRL assumed all accrued liabilities and accounts payable associated with EBRX-101. In connection with the sale, the Company entered a twelve-month consulting contract for $40,000 per month. The consulting contract was terminated on April 28, 2023 as services had been fully rendered and fees payable by Cybin to the Company were accelerated as a result of the early termination. Upon termination of the contract, the Company received a termination fee of $80,000 and recorded as consultant fees on the consolidated statements of loss and comprehensive loss.

5. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel comprise the Company's Board of Directors, Chief Executive Officer, Chief Financial Officer and Chief Science Officer. Key management personnel compensation is comprised of the following:

	For the years ended	
	November 30, 2024	**November 30, 2023**
	$	**$**
Payroll, consulting fees, and other benefits	131,000	242,987

As at November 30, 2024, $3,297 (2023 - $659) was due to directors and officers. The amounts are unsecured, non-interest bearing, due on demand and included in accounts payable and accrued liabilities. The share-based compensation for these related parties totaled $nil for the year ended November 30, 2024 (2023 - $1,014).

6. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued and outstanding

As at November 30, 2024 there were 8,858,934 common shares issued and outstanding (2023 - 5,908,926).

<u>During the year ended November 30, 2024:</u>

The board of directors approved a 10:1 share consolidation on February 20, 2024.

On April 18, 2024, the Company closed a private placement financing consisting of an aggregate of 2,950,000 units of the Company at a price of $0.05 per unit for aggregate gross proceeds of $147,500, of which 100,000 units with gross proceeds of $5,000 were subscribed by an officer of the Company. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each whole warrant is exercisable to acquire one common share of the Company at a price of $0.10 at any time on or before April 18, 2029. There was no value allocated to the warrants based on the residual method.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Issued and outstanding (continued)

<u>During the year ended November 30, 2023:</u>

The Company did not have any share transactions.

Stock options

The shareholders of the Company approved a share option plan (the "Options Plan") whereby the Board of Directors may grant to directors, officers, employees and suppliers of the Company share purchase options to acquire common shares of the Company. The terms of each share purchase option are determined by the Board of Directors. Options granted pursuant to the Options Plan shall vest and become exercisable by an optionee at such time or times as may be determined by the Board.

The aggregate number of common shares reserved for issuance pursuant to this Options Plan to all Participants shall not exceed 10% of the issued and outstanding common shares at the time of grant and the maximum number of common shares, which may be reserved for issuance to any optionee, may not exceed 10% of the outstanding common shares at the time of vesting and may not exceed 10% of the outstanding common shares to insiders within a one-year period. These options will expire no later than five years after being granted.

The exercise price per share is established by the Board at the time the option is granted, but, in the event that the common shares are traded on an exchange, the exercise price shall not be less than the closing price of the common shares on the exchange on the trading day immediately preceding the date of the option grant.

A continuity schedule of outstanding share purchase options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance, November 30, 2022	222,500	6.58
Expired	(82,500)	7.10
Balance, November 30, 2023 and 2024	140,000	6.28

During the year ended November 30, 2023, 82,500 share purchase options expired unexercised.
As at November 30, 2024, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Grant Date	Expiry Date	Number of options	Exercisable		Exercise Price	Remaining Life
December 3, 2020	December 3, 2025	110,000	110,000	$	7.10	1.01
July 29, 2021	July 29, 2026	20,000	20,000	$	3.30	1.66
August 25, 2021	August 25, 2026	10,000	10,000	$	3.20	1.73
		140,000	140,000	$	6.28	1.15

The share-based compensation from stock options for the year ended November 30, 2024, totalled $nil (2023 – $1,180).

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Restricted share units

The shareholders of the Company approved a restricted share unit plan (the "RSU Plan") whereby the Board of Directors may grant to directors, officers, employees and consultants of the Company restricted share units ("RSUs") to acquire common shares of the Company. The terms of each RSU are determined by the Board of Directors. The grant of an RSU shall entitle the participant to the conditional right to receive for each RSU credited to the participant's account, at the election of the Company, either one Common Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the market price of one Common Share for each RSU credited to the participant's account on the settlement date, subject to the conditions set out in the RSU Grant Letter and in the RSU Plan, and subject to all other terms of the RSU Plan.

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other Share Compensation Arrangements, subject to adjustments as provided in the RSU Plan.

A continuity schedule of outstanding share RSUs is as follows:

	Number Outstanding
Balance, November 30, 2022 and 2023	115,000
Expired	(115,000)
Balance, November 30, 2024	-

The share-based compensation from RSUs for the year ended November 30, 2024, totaled $nil (2023 – $nil).

Share purchase warrants

A continuity schedule of outstanding share purchase warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance, November 30, 2022	231,150	9.80
Expired	(231,150)	9.80
Balance, November 30, 2023	-	-
Issued	2,950,000	0.10
Balance, November 30, 2024	2,950,000	0.10

During the year ended November 30, 2023, 231,150 share purchase warrants expired unexercised.

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

Grant Date	Expiry Date	Number of options	Exercise Price	Remaining life
April 18, 2024	April 18, 2029	2,950,000	$ 0.10	4.38

(Expressed in Canadian dollars)

7. GENERAL AND ADMINSTRATIVE EXPENSE

General and administrative expenses consist of the following:

	For the years ended November 30, 2024	November 30, 2023
	$	$
Management, consulting, payroll	172,598	303,335
Professional fees	40,732	93,062
Office and insurance	62,182	117,903
Transfer agent and filing fees	57,149	47,655
	332,661	561,955

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company sets the amount of capital in proportion to 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. In order to maintain or adjust the capital structure, the Company may issue new common shares, sell assets, reduce debt or increase its debt. The capital of the Company comprises the shareholders' equity. The Company is not subject to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

Fair Values and Classification

The Company's financial instruments consist of cash and restricted cash, investments in equity securities, and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2024	November 30, 2023
Cash, equivalents and restricted cash	FVTPL	$ 141,494	$ 349,633
Accounts payable	Amortized cost	17,311	85,326

IFRS 9 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and equivalents and restricted cash of $141,494 is recorded at fair value and classified as level 1. The carrying amounts of the Company's accounts payable are a reasonable approximation of their fair values based on current market rates for similar financial instruments.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS (continued)

Financial instrument risk exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has exposure to credit risk through its cash and cash equivalents. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at highly rated financial institutions.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the statement of financial position. At November 30, 2024 and 2023, no amounts were held as collateral.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. The Company had cash and equivalents at November 30, 2024, in the amount of $136,494 and working capital of $140,328 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at November 30, 2024, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable	$ 17,311	$ 17,311	$ -	$ -
Total	$ 17,311	$ 17,311	$ -	$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk as the risk is primarily on cash and cash equivalents.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS (continued)

Foreign Currency Risk

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

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed not exposed to any significant price risk.

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2024	2023
Loss before income taxes	$(317,923)	$(300,001)
Statutory rates	27%	27%
Expected income tax recovery	(86,000)	(81,000)
Unrecognized temporary differences	86,000	81,000
Deferred income tax recovery	$ -	$ -

At November 30, 2024 and 2023, the amount of deductible temporary differences for which no deferred tax asset is recognized in the statements of financial position is as follows:

	2024	2023
Non-capital loss	$4,577,000	$4,487,000
Share issuance costs	-	5,000
Unrecognized deferred tax assets	(4,577,000)	(4,492,000)
Net deferred tax assets	$ -	$ -

As at November 30, 2024, the Company has non-capital losses of approximately $16,950,000 for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. These losses, if not utilized, will expire from 2039 to 2044.

In assessing the realizability of deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

11. SUBSEQUENT EVENTS

(i) On January 3, 2025, the Company closed a private placement financing for 5,000,000 units ("Unit") for gross proceeds of $500,000. Each Unit is comprised of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase an additional common share of the Company at $0.15 per share within 24 months of issuance of the Unit.

(ii) On January 24, 2025, the Company announced that it has entered into a binding letter of intent with 1000141080 Ontario Ltd. ("Mentis AI"), pursuant to which Entheon will acquire all of the issued and outstanding common shares in the capital of Mentis AI (the "Transaction").

The Transaction is expected to be structured as a share exchange transaction pursuant to which the shareholders of Mentis AI will receive 12.84296 common shares in the capital of the Company ("Entheon Shares") for each common share of Mentis AI held, which will result in an aggregate of approximately 11 million Entheon Shares being issued to Mentis AI shareholders. Following completion of the Transaction, it is expected that Mentis AI shareholders will collectively own approximately 44.25% of the issued and outstanding Entheon Shares.

Completion of the Transaction will be subject to a number of conditions precedent and there can be no assurance that the Transaction will be completed on the terms proposed in the LOI or at all.