TREATMENT.COM AI INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Treatment.com AI Inc.

Opinion

We have audited the accompanying consolidated financial statements of Treatment.com AI Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on 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 of the current year ended. 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 other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 year ended and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Daniel Nathan.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

April 4, 2025

TREATMENT.COM AI INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
	$	$
ASSETS		
Current assets		
Cash	1,231,999	715,529
Amounts receivable	-	17,247
Prepaid expenses	47,193	6,530
TOTAL ASSETS	1,279,192	739,306
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	334,430	892,573
Convertible debenture (Note 6)	-	442,135
Loan payable (Note 7)	151,995	142,651
TOTAL LIABILITIES	486,425	1,477,359
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 8)	25,806,316	19,069,847
Reserve (Note 8)	10,079,845	7,819,953
Accumulated other comprehensive loss	(119,737)	(101,169)
Deficit	(34,973,657)	(27,526,684)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	792,767	(738,053)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	1,279,192	739,306

Note 1: Nature of business and continuing operations
Note 12: Contingencies
Note 14: Subsequent events

Approved and authorized by the Board on April 4, 2025:

"Essam Hamza"
Essam Hamza, Director

"Kevin Peterson"
Kevin Peterson, Director

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

TREATMENT.COM AI INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECMEBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	2024	**2023**
	$	$
Revenues	10,990	-
Expenses		
Accretion and financing fees (Note 6)	35,251	75,927
Consulting and professional fees (Note 12)	2,210,581	1,123,794
General and administration	1,370,391	200,797
Research	479,670	354,489
Salaries & benefits (Note 12)	443,023	68,542
Stock-based compensation (Note 8)	1,528,789	579,309
Total expenses	6,067,705	2,402,858
Loss from operations	(6,056,715)	(2,402,858)
Other income	-	98,289
Foreign exchange loss	(26,337)	(2,082)
Write-off of accounts payable (Note 8)	-	84,278
(Loss) gain on settlement of debt (Note 8)	(499,106)	(1,500,009)
Loss on restructuring of convertible debt (Note 8)	(971,435)	-
Loss for the year	(7,553,593)	(3,722,382)
Foreign exchange translation	(18,568)	(125)
Comprehensive loss for the year	(7,572,161)	(3,722,507)
Loss per share – basic and diluted	(0.17)	(0.26)
Weighted average number of outstanding common shares, basic and diluted	43,551,486	14,352,719

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

TREATMENT.COM AI INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Number of Preferred Shares	Number of Common Shares	Share Capital $	Reserve $	Accumulated Other Comprehensive Loss $	Deficit $	Total $
Balance, December 31, 2022	10,001	6,624,399	14,508,513	7,208,230	(101,044)	(23,804,302)	(2,188,603)
Shares issued to settle debts for services	-	18,005,716	3,303,511	-	-	-	3,303,511
Shares issued to private placement	-	12,475,000	1,371,250	-	-	-	1,371,250
Share issuance cost	-	-	(113,427)	32,414	-	-	(81,013)
Stock-based compensation	-	-	-	579,309	-	-	579,309
Other comprehensive income	-	-	-	-	(125)	-	(125)
Loss for the year	-	-	-	-	-	(3,722,382)	(3,722,382)
Balance, December 31, 2023	10,001	37,105,115	19,069,847	7,819,953	(101,169)	(27,526,684)	(738,053)
Shares issued to settle payables	-	1,160,713	1,149,106	-	-	-	1,149,106
Shares issued to settle convertible debts	-	1,143,403	1,169,468	263,182	-	-	1,432,650
Shares issued for services	-	39,775	30,627	-	-	-	30,627
Shares issued for exercise of warrants	-	953,690	542,890	-	-	-	542,890
Shares issued for exercise of RSUs	-	950,000	655,000	(655,000)	-	-	-
Shares issued for Unit Placement	-	1,441,666	499,571	240,428	-	-	739,999
Reclassification on exercise of warrants	-	-	464,481	(464,481)	-	-	-
Expiration of warrants	-	-	-	(106,620)	-	106,620	-
Shares issued for automatic conversion of special warrants	-	8,434,266	2,784,346	1,338,208	-	-	4,122,554
Share issuance costs – cash	-	-	(299,167)	(144,467)	-	-	(443,634)
Share issuance costs – warrants	-	-	(259,853)	259,853	-	-	-
Stock-based compensation	-	-	-	1,528,789	-	-	1,528,789
Other comprehensive loss	-	-	-	-	(18,568)	-	(18,568)
Loss for the year	-	-	-	-	-	(7,553,593)	(7,553,593)
Balance, December 31, 2024	10,001	51,228,628	25,806,316	10,079,845	(119,737)	(34,973,657)	792,767

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

TREATMENT.COM AI INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	**2023**
	$	$
Cash flows used in operating activities		
Loss for the period	(7,553,593)	(3,722,382)
Items not involving cash		
Accretion and financing fees	19,080	75,927
Shares issued for services	30,627	1,500,009
Loss on settlement of payables for equity	499,106	-
Loss on restructuring of convertible debt	971,435	-
Foreign exchange	-	(589)
Stock-based compensation	1,528,789	579,309
- Receivable	17,247	(16,516)
- Prepaid expenses	(40,663)	3,918
- Accounts payable and accrued liabilities	87,856	840,246
Cash used in operating activities	(4,440,116)	(740,078)
Cash flows from financing activities		
Draws on loan payable	56,311	99,487
Repayments on loan payable	(46,967)	-
Exercise of warrants	542,889	-
Proceeds from private placement, net of share issue costs	4,418,919	1,353,750
Cash provided by financing activities	4,971,152	1,453,237
Effect of foreign exchange rate on cash	(14,566)	(125)
Net cash inflows (outflows)	516,470	713,034
Cash, beginning of year	715,529	2,495
Cash, end of year	1,231,999	715,529
Supplemental Cash Flow Information		
Interest converted to common shares	57,363	-
Share issuance costs – non-cash	-	32,414
Share issuance costs in accounts payable	-	63,513
Shares for issued for debt	1,169,468	1,803,502
Reclassification of grant date fair value on exercise of warrants	464,481	-
Reclassification of grant date fair value on exercise of RSUs	655,000	-
Relative Fair value of broker warrants	259,853	-

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Treatment.com AI Inc. (the “Company" or “Treatment”) was incorporated on February 2, 2018, pursuant to the provisions of the *Canada Business Corporations Act*. The Company was continued under the *Business Corporations Act* (British Columbia) on June 21, 2023. The Company’s registered head office address is 700-838 W Hastings St., Vancouver, British Columbia, V6C 0A6, Canada.

Treatment, through its wholly owned subsidiary Treatment.com Inc. (“Treatment Inc.”), is in the business of providing personalized health care information that is relevant and trustworthy. Treatment’s products aim to empower patients to make responsible, informed decisions about their health while improving communications, reducing costs and in-clinic wait times for medical practitioners.

The Company has been relying on equity-based financing to fund its operations. As of December 31, 2024, the Company has yet to generate a positive net income and had an accumulated deficit of $34,973,657. The Company will require additional financing either through equity or debt financing or a combination thereof to meet its administrative costs and to develop its business. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared by the Company in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”).

3. MATERIAL ACCOUNTING POLICIES

Functional Currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollar, which is the Company’s reporting currency. The functional currency of Treatment is the Canadian dollar, whereas the Treatment Inc. is the U.S. dollar.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's accumulated other comprehensive income reserve in equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

Significant Estimates and Judgments

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant Judgements

Significant judgments in applying the Company's accounting policies in these consolidated financial statements are:

- Determination of function currency - The Company determines the functional currency through its analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.
- Capitalization of development costs - The assessment on when the Company can meet the criteria to capitalize development costs, involves judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.
- These 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 operations for the foreseeable future and do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern or be unable to realize its assets or discharge its liabilities in the normal course of business. Such adjustments can be material

Significant Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

- Recoverability and measurement of deferred tax assets - In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.
- In calculating stock-based compensation expense, key estimates are used such as, the stock price of the Company, the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price, and the risk-free interest rate.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at amortized cost.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables. An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company classifies its cash, amounts receivable, accounts payable, loans payable and convertible debentures as amortized cost financial instruments.

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 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 countries where the Company operates and generates taxable income.

Current income 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.

Deferred Income Tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred 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 and are expected to apply by the end of the reporting period. Deferred 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 taxes relate to the same taxable entity and the same taxation authority.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is antidilutive.

3. MATERIAL ACCOUNTING POLICIES (continued)

Research and Development Expenses

All expenses related to development activities that do not meet generally accepted criteria for deferral and research expenses are expensed as incurred. Development expenses that do meet generally accepted criteria for deferral are capitalized and amortized over the estimated period of benefit. For the periods presented in these consolidated financial statements, all expenses related to development activities were expensed as incurred.

Share-based Compensation

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

Equity

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. The relative fair value method allocates value to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Company considers the market value of the common shares issued as fair value and measures the fair value of the warrant component of the unit using the Black-Scholes option pricing model. The unit value is then allocated, pro-rata, between the two components (net of any flow-through share premium), with the fair value attributed to the warrants being recorded as reserves.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the

3. MATERIAL ACCOUNTING POLICIES (continued)

useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Revenue Recognition

The Company generates revenues from its artificial intelligence ("AI") platform, which provides consumer information, medical education, and clinical information support services. The Company recognizes revenue in accordance with IFRS 15, Revenue from Contracts with Customers. The Company has elected to apply the practical expedient under IFRS 15 for contracts with an original expected duration of one year or less. As a result, the Company is not required to disclose the amount of transaction price allocated to

remaining performance obligations, nor disclose unearned revenue for these contracts. This exemption has been applied to all contracts with an original expected duration of one year or less.

The Company considers IFRS 5-step revenue recognition framework when assessing appropriate revenue recognition as follows:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company provides services, such as scoring medical school exams and grade reporting, to educational institutions.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company evaluates the services promised in each contract at inception to determine whether the Company should account for the contract as having one or more performance obligations. Each of the Company's solutions is capable of being distinct as the customer can benefit from each individual solution on its own or with other resources that are readily available.

The Company performs under various types of contracts, which generally include firm-fixed-price and time-and-materials contracts. Under fixed-price contracts, the Company agrees to perform the specified work for a pre-determined price. To the extent the Company's actual costs vary from the estimates upon which the price was negotiated, the Company will generate more or less profit or could incur a loss. Under time-and-materials contracts, the Company agrees to perform the specified work for a pre-determined rate per hour, as well as the reimbursement of other direct billable costs which are presented on a gross basis.

The Company assesses each contract at its inception to determine whether it should be combined with other contracts. When making this determination, the Company considers factors such as whether two or more contracts were negotiated and executed at or near the same time or were negotiated with an overall profit objective. If combined, the Company treats the combined contracts as one single contract for revenue recognition purposes.

The Company recognizes revenue as performance obligations are satisfied and the customer obtains control of the solutions and services. In determining when performance obligations are satisfied, the Company considers factors such as contract terms, payment terms and whether there is an alternative future use of the solution or service. Substantially all of the Company's revenue to date has been recognized at a point in time because control of the performance obligation transfers to the customer at a point in time.

4. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Treatment Inc., from the date control was acquired. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

5. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS

Changes in Accounting Policies Effective in the Current Fiscal Year

The International Accounting Standards Board continually issues new and amended standards and interpretations that the Company may need to adopt. The Company constantly assesses the impact that the new and amended standards and interpretations may have on its financial statements and whether to adopt any of the new requirements early.

IAS 1 - The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments clarify the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date but require disclosure in the notes to the financial statements. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2024, and are to be applied retrospectively. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Accounting Standards Issued but not Effective

IAS 21 – The amendment to IAS 21, Effects of Changes in Foreign Exchange Rates, clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability. The amendment to IAS 21 is effective for annual reporting periods beginning on or after January 1, 2025. The adoption of this amendment is not expected to have a material impact on the Company's consolidated financial statements.

IFRS 7 and IFRS 9 – Amendments to IFRS 7 and IFRS 9, Classification and Measurement of Financial Instruments, clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. The amendments also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others. The amendment to IAS 21 is effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 - IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to

(Expressed in Canadian Dollars)

5. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS (continued)

classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses will be required to be presented directly on the face of the income statement, classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is still reviewing the impact of this standard on its financial reporting..

6. CONVERTIBLE DEBENTURE

Activity related to the Company's convertible debenture is as follows:

Balance, December 31, 2022	$	366,208
Amortization of financing costs		29,725
Accretion and interests		46,202
Balance, December 31, 2023	$	442,135
Amortization of financing costs		7,431
Accretion and interests		11,649
Conversion to common shares		(461,215)
Balance, December 31, 2024	$	-

During the year ended December 31, 2022, the Company issued a $400,000 principal amount of unsecured convertible debentures (the "Debentures"). The Debentures were issued at original discount of 15% of the principal amount. The original discount amount is being amortized on straight line basis over the term of the Debentures. The Debentures bear interest at a rate of 8% per annum, calculated semi-annually and mature 24 months from the date of issuance. The principal of the Debentures, plus any interest accrual is convertible at the option of the Debentures' holders into one unit of the Company at the conversion price equal to $4.10 per unit. Each unit consists of one common share and one transferable share purchase warrant, with each warrant being exercisable into one common share at a price of $5.00 for a period of two years from the date of issuance.

On inception, the Company allocated the total proceeds received of $340,551 between liabilities and equity. The equity component of $27,721 was valued using the residual method based on a discount rate of 12%.

During the year ended December 31, 2024, the Company has recorded accretion and interest expense in the amount of $11,649 (2023 - $46,202).

On April 5, 2024, the Company entered into a debt settlement agreement with the holders of the Debentures in which the total principal and accrued interest obligations were cancelled in exchange for 1,143,403 of the Company's common shares and 571,700 warrants to purchase the Company's common shares at an exercise price of $0.60 per warrant exercised. The Company recognized a loss of convertible debt restructuring of $971,435 as a result of the conversion, which is the difference between the fair value of the common shares and warrants that would have been issued in connection with the original agreement and the fair value of the common shares and warrants that were issued in connection with the debt settlement agreement. Refer to Note 8 for further details of the impacts to share capital.

7. LOAN PAYABLE

As of December 31, 2024, the Company held a shareholders' loan in the amount of $151,995 (December 31, 2023 - $142,651). During the year ended December 31, 2024, the Company made payments totaling $40,969 and drew $50,313 on the shareholders' loan. The loan is non-interest bearing, unsecured and payable on demand.

8. SHARE CAPITAL AND RESERVES

The Company has authorized an unlimited number of common shares with no par value.

October 2024 Capital Raise

On October 25, 2024, the Company closed a non-brokered private placement of 2,138,766 special warrants of the Company (each, an "October Special Warrant") at a price of $0.75 per October Special Warrant, for aggregate gross proceeds of $1,604,075 and 466,666 units of the Company (each, an "October Unit") at a price of $0.75 per October Unit, for aggregate gross proceeds of $350,000 (the "October Offering"). A total of $114,321 was allocated to the warrants included in the Units using the relative fair value method.

Each October Special Warrant automatically converts without payment of any additional consideration into one October Unit on the date that is the earlier of (i) the third business day after the date of filing a prospectus supplement (the "December Prospectus Supplement") to a short form base shelf prospectus qualifying the distribution of the shares and warrants issuable upon the conversion of the October Special Warrants, and (ii) 4 months and one day after the issue date of the October Special Warrants.

Each October Unit is comprised of one common share of the Company (each, a "Share") and one-half of one share purchase warrant (each whole, a "Warrant") of the Company, with each Warrant exercisable into one additional Share at an exercise price of $1.00 for two (2) years from the date of issuance.

On December 20, 2024, the Company filed the December Prospectus Supplement. As a result, the October Special Warrants automatically converted into 2,138,766 Shares and 1,069,383 Warrants. The assumptions used in the Black Scholes option pricing model to determine the grant date fair value of the Warrants included in the October Unit of $633,666 were: (1) expected life of 2.00 years, (2) expected volatility of 218%, (3) dividend yield of 0%, and (4) risk-free rate of 4.02%. A total of $523,940 was allocated to the warrants issued in the Units using the relative fair value method.

In connection with the October Offering, the Company has paid finders' fees of $117,383 and has issued an aggregate 156,378 non-transferable broker warrants (the "October Broker Warrants") to arm's-length parties. Each October Broker Warrant entitles the holder to purchase one Share (an "October Broker Share") at an exercise price of $1.00 per October Broker Share for a period of two (2) years from the date of closing. The assumptions used in the Black Scholes option pricing model to determine the grant date fair value of the Broker Warrants of $99,538 were: (1) expected life of 2.00 years, (2) expected volatility of 271%, (3) dividend yield of 0%, and (4) risk-free rate of 4.11%.

Legal expenses and other transaction-related costs were $40,325. The Company intends to use the proceeds raised from the October Offering for working capital purposes.

March 2024 Capital Raise

On March 14, 2024, the Company closed a non-brokered private placement of 6,295,500 special warrants of the Company (each, a "March Special Warrant") at a price of $0.40 per March Special Warrant, for aggregate gross proceeds of $2,518,200 and 975,000 units of the Company (each, a "March Unit") at a price of $0.40 per March Unit, for aggregate gross proceeds of $390,000 (the "March Offering"). A total of $126,123 was allocated to the warrants included in the March Units using the relative fair value method.

8. SHARE CAPITAL AND RESERVES (continued)

Each March Special Warrant automatically converts without payment of any additional consideration into one March Unit on the date that is the earlier of (i) the third business day after a) a receipt from the applicable securities regulatory authorities for a (final) short form prospectus or b) the date of filing a prospectus supplement (the "June Prospectus Supplement") to a short form base shelf prospectus qualifying the distribution of the March Units issuable upon the conversion of the March Special Warrants, and (ii) 4 months and one day after the issue date of the March Special Warrants.

Each March Unit is comprised of one Share and one-half of one Warrant of the Company, with each Warrant exercisable into one additional Share at an exercise price of $0.60 for two (2) years from the date of closing.

On June 18, 2024, the Company filed a Prospectus Supplement. As a result, the March Special Warrants automatically converted into 6,295,500 Shares and 3,147,750 Warrants. The assumptions used in the Black Scholes option pricing model to determine the grant date fair value of the Warrants included in the March Unit of $1,624,869 were: (1) expected life of 2.00 years, (2) expected volatility of 286%, (3) dividend yield of 0%, and (4) risk-free rate of 4.00%. A total of $814,268 was allocated to the Warrants issued in the March Units using the relative fair value method.

In connection with the March Offering, the Company has paid finder's fees totaling $220,816 and issued an aggregate 552,040 non-transferable broker warrants (the "March Broker Warrants") to arm's-length parties. Each March Broker Warrant entitles the holder to purchase one Broker Share at an exercise price of $0.60 per Broker Share for a period of two (2) years from the date of closing. The assumptions used in the Black Scholes option pricing model to determine the grant date fair value of the March Broker Warrants of $284,963 were: (1) expected life of 2.00 years, (2) expected volatility of 286%, (3) dividend yield of 0%, and (4) risk-free rate of 4.00%.

Legal expenses and other transaction-related costs were $64,973. The Company intends to use the proceeds raised from the March Offering for working capital purposes.

During the year ended December 31, 2023, the Company issued 18,005,716 common shares valued at $3,303,511 to settle accounts payable and loans payable, resulting in the Company recognizing a loss on settlement of debt of $1,500,009.

On September 29, 2023, the Company issued 10,000,000 common shares through a non-brokered private placement at $0.10 per share for gross proceeds of $1,000,000. The Company paid the finder's fee of $17,500 and issued 175,000 finder's warrants to arm's length parties. Each finder's warrant is exercisable into one common share at a price of $0.255 per share for a period of 2 years.

On October 5, 2023, the Company issued 2,475,000 common shares through a non-brokered private placement at $0.15 per share for gross proceeds of $371,250.

Settlement of Convertible Debentures in Capital Shares

In connection with the debt settlement agreement described in Note 5, the Company issued 1,143,403 of the Company's common shares with a grant date fair value $1,169,468 and issued 571,700 warrants to purchase common shares of the Company's common shares at a price of $0.60 per share. The assumptions used in the Black Scholes option pricing model to determine the grant date fair value of the warrants of $263,182 were: (1) expected life of 2.00 years, (2) expected volatility of 285%, (3) dividend yield of 0%, and (4) risk-free rate of 3.76%.

Settlement of Debt in Capital Shares

On July 5, 2024, the Company entered into Debt Settlement and Release Agreements with three third-party vendors to settle debt resulting from unpaid invoices totaling $650,000. On July 11, 2024, the Company

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

issued a total of 1,160,713 of the Company's common shares with a fair value of $1,149,406 to settle the debt.

Shares Issued for Services

On September 18, 2024, the Company issued 39,775 common shares, with a fair value of $30,627, in exchange for services. During the year ended December 31, 2023, the Company issued 5,717 common shares, with a fair value of $2,736 in exchange for services.

Stock Options

The Company adopted the 10% stock option plan (the "Option Plan") on March 11, 2020. The Option Plan provides for the grant of stock options. Stock issued pursuant to awards granted under the 2020 Plan will consist of authorized but unissued common shares. Incentive stock options may be granted to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved 10% of the Company's issued and outstanding common shares. The exercise price shall not be less than the market value of the common shares.

The changes in options during the years ended December 31, 2024 and 2023 were as follows:

Year Ended	December 31, 2024		December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	2,051,500	$0.32	351,500	$7.00
Granted	3,168,000	$0.67	1,700,000	$0.24
Forfeited	(341,500)	$0.71	-	$ -
Ending	4,878,000	$0.52	2,051,500	$0.32
Exercisable	3,237,750	$0.42	779,000	$0.37

The weighted average assumptions that the Company used in the Black Scholes option pricing model to determine the grant date fair value of options granted during the year ended December 31, 2023 were: (1) expected life of the options of 5.00 years, (2) expected volatility of 96%, (3) dividend yield of 0%, and (4) risk-free rate of 4.21%.

The weighted average assumptions that the Company used in the Black Scholes option pricing model to determine the grant date fair value of options granted during the year ended December 31, 2024 were: (1) expected life of the options of 4.35 years, (2) expected volatility of 195%, (3) dividend yield of 0%, and (4) risk-free rate of 4.00%.

During the year ended December 31, 2024, 341,500 options were cancelled due to contract terminations. As a result, in accordance with IFRS 2, *Share-based Payment*, stock-based compensation expenses totaling $499,058 were reversed.

As of December 31, 2024, outstanding incentive stock options were as follows:

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Grant Date	Options Outstanding	Options Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
January 18, 2021	10,000	10,000	$ 0.32	12/1/2030	5.92
October 3, 2023	300,000	300,000	$ 0.20	10/3/2028	3.76
October 17, 2023	1,400,000	1,400,000	$ 0.25	10/17/2028	3.80
January 8, 2024	25,000	18,750	$ 0.50	1/8/2027	2.02
February 8, 2024	50,000	50,000	$ 0.55	3/1/2029	4.17
February 26, 2024	100,000	100,000	$ 0.55	2/26/2025	0.16
March 1, 2024	870,000	696,000	$ 0.55	3/1/2029	4.17
May 7, 2024	250,000	160,000	$ 0.60	5/7/2029	4.35
May 27, 2024	48,000	48,000	$ 0.51	5/27/2027	2.40
June 18, 2024	50,000	30,000	$ 0.55	6/18/2027	2.46
July 3, 2024	100,000	25,000	$ 0.89	7/3/2026	1.50
July 26, 2024	25,000	10,000	$ 0.85	7/26/2027	2.57
August 6,2024	25,000	15,000	$ 0.73	8/6/2026	1.60
November 1, 2024	500,000	-	$ 0.75	11/1/2027	2.95
December 11, 2024	1,125,000	375,000	$ 0.75	12/11/2029	4.87
Total	4,878,000	3,237,750	$ 0.42		3.30

During the year ended December 31, 2024, the Company recorded stock-based compensation of $644,760 (2022 - $421,927) related to share option vesting, net of the reversal of stock-based compensation for cancelled options discussed above.

Special Warrants

Year Ended December 31, 2024	Number of Special Warrants
Opening	-
Issued	8,434,266
Converted	(8,434,266)
Ending	-

On June 21, 2024, the March Special Warrants issued in connection with the March Offering automatically converted into March Units without payment of additional consideration, following the successful filing of the June Prospectus Supplement to short form base shelf prospectus, qualifying the distribution of the March Units issuable upon the conversion of the March Special Warrants. The automatic conversion of the March Special Warrants into March Units resulted in the issuance of 6,295,500 Shares and 3,147,750 Warrants.

On December 27, 2024, the October Special Warrants issued in connection with the October Offering automatically converted into October Units without payment of additional consideration, following the successful filing of the December Prospectus Supplement to short form base shelf prospectus, qualifying the distribution of the October Units issuable upon the conversion of the October Special Warrants. The automatic conversion of the October Special Warrants into October Units resulted in the issuance of 2,138,766 Shares and 1,069,383 Warrants.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Warrants

The changes in warrants during the years ended December 31, 2024 and 2023 were as follows:

Year Ended	December 31, 2024		December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	175,000	$0.26	-	-
Issued	6,218,083	$0.70	175,000	$0.26
Exercised	(953,690)	$0.57	-	-
Ending	5,439,393	$0.70	175,000	$0.26

As of December 31, 2024, outstanding warrants are as follows:

Number of warrants outstanding	Weighted average exercise price		Expiry Date	Weighted average life remaining (years)
90,000	$	0.26	September 29, 2025	0.8
3,318,600	$	0.60	March 13, 2026	1.2
571,700	$	0.60	April 5, 2026	1.3
389,710	$	1.00	October 25, 2026	1.8
1,069,383	$	1.00	December 27, 2026	2.0
5,439,393	**$**	**0.70**		**1.4**

Restricted Share Units

In September 2021, the Company adopted the Restricted Share Unit (“RSU”) Plan (“RSU Plan”). The maximum number of common shares made available for issuance pursuant to the RSU Plan is determined by the Board of Directors of the Company (the “Board”) but shall not exceed 10% of the common shares issued and outstanding from time to time. The Board is authorized to provide for the awarding, granting, vesting, settlement, expiration, and method of settlement of RSUs. As of December 31, 2023 and 2022, (i) 1,250,000 and 230,250, respectively, RSUs were outstanding under the RSU Plan and (ii) no shares of Common Stock were reserved for future grants under the RSU Plan.

The details of the restricted share units (“RSUs”) issued are as follows:

Year Ended	December 31, 2024	December 31, 2023
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning	1,250,000	230,250
Granted	2,435,000	1,250,000
Exercised	(950,000)	-
Expired	-	(230,250)
RSU outstanding, ending	**2,735,000**	**1,250,000**
RSUs vested	**1,600,000**	**233,333**

As of December 31, 2024, outstanding RSUs are as follows:

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

RSUs Outstanding	Weighted Average Share Price on Grant Date for Outstanding RSUs	RSUs Vested	Weighted Average Share Price on Grant Date for Vested RSUs	Expiry Date	Weighted Average Life Remaining (years)
1,000,000	$ 0.23	1,000,000	$ 0.23	October 17, 2026	1.8
150,000	$ 0.23	50,000	$ -	October 17, 2028	3.9
110,000	$ 0.46	95,000	$ 0.46	February 8, 2027	2.1
100,000	$ 0.70	160,000	$ 0.70	April 16, 2027	2.3
150,000	$ 0.77	-	$ -	July 26, 2026	1.6
705,000	$ 0.63	291,000	$ 0.63	December 11, 2027	3.0
520,000	$ 0.63	104,000	$ 0.63	December 11, 2029	5.0
2,735,000	**$ 0.47**	**1,700,000**	**$ 0.38**		**2.9**

During the year ended December 31, 2024, the Company recorded stock-based compensation of $884,029 (2022 - $157,382)) related to RSU vesting.

9. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to managing capital during the year ended December 31, 2024.

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial instruments included in the consolidated statement of financial position are as follows:

As of December 31,		2024 $	2023 $
Cash	Amortized cost	1,231,999	715,519
Amounts receivable	Amortized cost	-	17,247
Trade payables	Amortized cost	334,430	892,573
Loan and debentures	Amortized cost	151,995	584,786

Fair value

The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

10. FINANCIAL INSTRUMENTS (continued)

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consisted of cash, receivables, trade payables and loan and debentures. The carrying value of receivables, trade payables, and accrued liabilities approximates fair value due to the short-term nature of the instruments. The loan and debentures are booked at amortized costs. Cash and cash equivalents are carried at amortized cost.

Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2024, the Company's working capital was a surplus of $792,767, which was mainly due to cash proceeds from the Offering. As a result, the Company is currently subject to liquidity risk. Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

As of December 31, 2024 and 2023, the Company did not have any significant exposure to the risk of changes in market interest rates as the Company did not have any financial instruments that are exposed to variable interest rates.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The potential concentration of credit risk consists mainly of cash and other receivables. The Company limits its counterparty exposures from its cash by only dealing with well-established financial institutions of a high-quality credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

At the reporting date the majority of the Company's cash resources were deposited with reputable established financial institutions. As a result, management believes the Company is not exposed to significant credit risk due to the credit worthiness of these counterparties.

Foreign currency risk

Foreign currency risk arises from holdings of financial assets and liabilities in currencies other than the functional currency to which they relate. The Company and its subsidiaries have minimal such holdings, consequently foreign currency risk is considered low.

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the supply of personalized health care information that is relevant and trustworthy to patients. The Company has its head office in Canada and operates mainly in the U.S.A. The Company does not have non-current assets to report on and all revenues from external customers were derived in the U.S.A.

12. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

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 executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Year ended December 31,	**2024**	**2023**
	$	**$**
Salaries, Wages, Research and Consulting fees		
Former Chief Executive Officer & Former Chief Strategy Officer	-	40,866
Chief Executive Officer	240,000	60,000
Chief Financial Officer	219,410	-
Former Chief Financial Officer & Director	14,700	72,975
Chief Operating Officer	80,000	-
Corporate Secretary	54,399	-
Chief Medical Officer & Director	109,584	300,000
Former Chief Executive Officer and Director	13,761	-

Balances due to related parties

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company has the following amounts due to related parties:

		As of December 31,	
Due to Related parties	**Nature**	**2024**	**2023**
		$	$
Former Chief Executive Officer & former Chief Strategy Officer	Consulting fees	-	35,722
Chief Executive Officer	Salary	-	-
Chief Medical Officer & Director	Consulting fees	76,995	67,651
Former Chief Financial Officer & Director	Accounting fee	-	50,635
Chief Financial Officer	Consulting fees	19,431	-

13. CONTINGENCIES

From time to time, the Company may be involved in claims and litigations as part of its normal course of business. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, based on the information currently available, the Company does not believe that any additional provisions are required to be recognized.

(Expressed in Canadian Dollars)

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported dates is as follows:

	2024 $	2023 $
Loss for the year	(7,553,593)	(3,722,382)
Expected income tax (recovery)	(1,736,000)	(1,005,000)
Change in statutory, foreign tax, foreign exchange rates and other	(825,000)	-
Permanent differences	675,000	4,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	1,449,000	-
Change in unrecognized deductible temporary differences	437,000	1,001,000
Total income taxes	-	-
Current income tax	-	-
Deferred tax recovery	-	-

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2024 $	2023 $
Deferred tax assets (liabilities)		
Share issue costs	99,000	4,000
Non-capital losses	4,712,000	4,834,000
Debt with accretion	-	6,000
Property and equipment	346,000	-
Research and development	136,000	-
Net deferred tax assets	5,293,000	4,844,000

The significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included in the consolidated statement of financial position are as follows:

	December 31, 2024		December 31, 2023	
	$	Expiry Date Range	$	Expiry Date Range
Temporary Differences				
Share issue costs	365,000	2045 to 2048	14,000	2044 to 2047
Property and equipment	1,282,000	No expiry date	-	No expiry date
Research and development	443,000	No expiry date	22,000	No expiry date
Non-capital losses	17,053,000	2038 to No expiry date	19,202,000	2038 to No expiry date
Canada	10,862,000		13,361,000	
USA	6,190,000		5,841,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. SUBSEQUENT EVENTS

On January 27, 2025, the Company issued 22,866 common shares for the exercise of warrants for gross proceeds of $13,720.

15. SUBSEQUENT EVENTS (continued)

On January 28, 2025, the Company entered into a binding letter of intent dated January 28, 2025 (the "Alea Letter of Intent") with Alea Health Holdings Limited ("Alea Health") for the proposed acquisition of Alea Health by Treatment. Alea Health is a technology company based in the United Arab Emirates that focuses on building innovative AI solutions for both primary and mental health care.

Alea Health has developed a proprietary online therapy platform that leverages AI-driven tools to address mental health challenges. Their platform incorporates conversational AI and voice technology to optimize patient intake and follow-up processes, reducing administrative burdens and enhancing patient engagement.

On February 12, 2025, the Company entered into a Definitive Share Purchase Agreement with Rocket Doctor Inc. ("Rocket Doctor") and the common shareholders of Rocket Doctor with respect to the proposed acquisition of 100% of the issued and outstanding securities in the capital of Rocket Doctor by the Company. As of the date of this filing, the transaction has not closed.

Rocket Doctor is a Canadian federally incorporated company that provides a platform for patients to schedule and attend appointments with medical and mental health providers.

On February 26, 2025, 100,000 stock options expired.

On March 13, 2025, the Company closed its previously announced brokered private placement under the Listed Issuer Financing Exemption (the "March 2025 Offering"). Pursuant to the Offering, the Company issued 6,600,000 units (the "LIFE Units") at the issue price of $0.50 per LIFE Unit for gross proceeds of $3,300,000. Each LIFE Unit consists of one common share in the capital of the Company (a "Share") and one-half of one Share purchase warrant of the Company (each whole warrant being, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Share at the exercise price of $0.75 until March 13, 2027.

The Company intends to use the proceeds from the March 2025 Offering for sales and administrative expenses, software research and development and working capital purposes.

Pursuant to the Underwriting Agreement, the Company paid to the Underwriter a cash commission of $264,000 and issued 528,000 non-transferable broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable for one Unit at the price of $0.75 until March 13, 2027, with each Unit consisting of one Share and one-half of one Warrant. The Broker Warrants and the underlying securities issued to the Underwriter will be subject to a four month and one day hold period in accordance with Canadian securities laws.

On March 19, 2025, the Company issued 150,000 common shares for the exercise of RSUs for gross proceeds of $50,000.