Neural Therapeutics Inc.

Unaudited Interim Condensed Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

Notice To Reader

The accompanying unaudited interim condensed financial statements of Neural Therapeutics Inc. (the "**Company**") have been prepared by and are the responsibility of management. The unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

Neural Therapeutics Inc.
Unaudited Interim Condensed Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	October 31, 2024	July 31, 2024
ASSETS			
Cash		$ **65,791**	$ 66,789
Harmonized sales tax receivable		**30,008**	27,686
Other asset		**1,565**	1,565
Total Assets		**97,364**	96,040
LIABILITIES			
Current Liabilities			
Accounts payable	3	$ **105,252**	$ 87,114
Accrued liabilities	3	**283,789**	207,857
Promissory note	4	**11,596**	11,238
Total current liabilities		**400,637**	306,209
Long-Term Liabilities			
Due to related parties	8	**373,539**	373,539
Due to other party	8	**100,000**	100,000
Total Long-Term liabilities		**473,539**	473,539
Total Liabilities		**874,176**	779,748
Shareholder's Deficit			
Share capital	5	**2,913,463**	2,913,463
Shares to be issued	6	**109,365**	101,865
Reserve for warrants	7	**437,706**	437,706
Deficit		**(4,237,346)**	(4,136,742)
Total Deficit		**(776,812)**	(683,708)
Total Liabilities and Deficit		$ **97,364**	$ 96,040

Approved on behalf of the Board:

"Ian Campbell", Director	*"John Durfy."*, Director
(signed)	(signed)

The accompanying notes are an integral part of these unaudited interim condensed financial statements

Neural Therapeutics Inc.
Unaudited Interim Condensed Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Three months ended October 31,	Notes	2024	2023
Operating Expenses			
Salaries, wages and benefits		**9,424**	9,668
Consulting fees		**22,500**	33,460
Research expenses		**49,211**	106,167
Professional fees		**15,115**	13,346
General and administrative		**4,301**	8,941
Bank fees		**57**	673
		100,608	172,255
SR&ED income		**-**	(14,700)
Foreign exchange (gain) loss		**(4)**	304
		100,604	157,859
Loss before income taxes		**(100,604)**	(157,859)
Net loss		**(100,604)**	(157,859)
Weighted average number of common shares outstanding -Basic and diluted		**65,771,714**	54,068,101
Loss per share - Basic and diluted		**(0.00)**	(0.00)

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Neural Therapeutics Inc.
Unaudited Interim Condensed Statements of Cash Flows
(Expressed in Canadian Dollars)

Three months ended October 31,	Notes	2024	2023
Operating activities			
Net loss for the period		**(100,604)**	(157,859)
Items not affecting cash:			
Shares issued for debt settlement		**7,500**	19,650
Interest expenses		**358**	-
		(92,746)	(138,209)
Changes in non-cash working capital:			
Harmonized sales tax receivable		**(2,322)**	58,653
Accounts payable and accrued liabilities		**94,070**	(185,016)
Prepaid expense		**-**	6,000
Net cash used in operating activities		**(998)**	(258,572)
Financing activities			
Proceeds from issuance of shares		**-**	155,181
Share issue costs		**-**	(12,586)
Cash flows provided by financing activities		**-**	142,595
Cash at the beginning of period		**66,789**	273,323
Cash at the end of period		**65,791**	157,346

The accompanying notes are an integral part of these unaudited interim condensed financial statements

Neural Therapeutics Inc.
Unaudited Interim Condensed Statements of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

	Number of Common shares #	Share capital $	Reserve for warrants $	Shares to be issued $	Deficit $	Total shareholders' deficit $
Balance as at July 31, 2023	**45,065,322**	**2,314,719**	**427,845**	**466,010**	**(3,470,712)**	**(262,138)**
Shares issued for private placement	10,928,183	327,845	-	(172,664)	-	155,181
Shares issued for debt settlement	9,778,209	293,346	-	(293,346)	-	-
Shares issuance costs	-	(22,447)	9,861	-	-	(12,586)
Shares to be issued	-	-	-	19,650	-	19,650
Net loss for the period	-	-	-	-	(157,859)	(157,859)
Balance as at October 31, 2023	**65,771,714**	**2,913,463**	**437,706**	**19,650**	**(3,628,571)**	**(257,752)**
Balance as at July 31, 2024	**65,771,714**	**2,913,463**	**437,706**	**101,865**	**(4,136,742)**	**(683,708)**
Shares to be issued	-	-	-	7,500	-	7,500
Net loss for the period	-	-	-	-	(100,604)	(100,604)
Balance as at October 31, 2024	**65,771,714**	**2,913,463**	**437,706**	**109,365**	**(4,237,346)**	**(776,812)**

The accompanying notes are an integral part of these unaudited interim condensed financial statements

1. Nature of operations and going concern

Neural Therapeutics Inc. ("**Neural**" or the "**Company**") is a private company incorporated in the Province of Ontario on June 2, 2020 under the Ontario Business Corporations Act. Neural is an ethnobotanical drug-discovery/development company focused on developing products and conducting research with psychoactive plants. The Company is domiciled in Canada and its registered and records office is located at 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1, Canada.

The initial focus of the Company will be the San Pedro (*Echinopsis pachanoi* or *Trichocereus pachanoi*), a cactus containing *mescaline*. The Company is working to identify where plant-based traditional-medicine has proven to be effective and capitalize on the development of a path to market in both pharmaceutical (use of mescaline) and nutraceutical (where mescaline is absent).

On May 23, 2023 the Company became an unlisted reporting issuer in the Provinces of British Columbia, Alberta and Quebec, pursuant to a plan of arrangement (the "**Plan of Arrangement**") between the Company and Vertical Peak Holdings Inc. ("**Vertical Peak**"), more particularly described in the management information circular of Vertical Peak available on Neural's profile on www.sedarplus.ca.

As at October 31, 2024, the Company had working capital deficiency of $303,273 (July 31, 2024 – working capital deficiency of $210,169), had accumulated losses of $4,237,346 (July 31, 2024 - $4,136,742), and expects to incur further losses in the development of its business, all of which describe the material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on its ability to obtain further funding, manage cash flows, and restructure borrowings. There is a significant uncertainty as to whether the Company will be able to continue as a going concern and therefore, whether it will continue its normal business activities and realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the unaudited interim condensed financial statements. These unaudited interim condensed financial statements do not include adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern which could be material.

These unaudited interim condensed financial statements do not reflect adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as a going concern and achieve profitable commercial operations and/or obtain adequate financing and support from its shareholders and trade creditors.

If the going concern assumption was not appropriate for these unaudited interim condensed financial statements, adjustments would be necessary to the carrying values of assets and liabilities, net and comprehensive loss, and statements of financial position classifications used. Such adjustments could be material.

2. Basis of preparation

2.1 Statement of compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The unaudited interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

These unaudited interim condensed financial statements were reviewed, approved and authorized for issuance by the Company's Board of Directors on December 30, 2024.

2.2 Basis of measurement

These unaudited interim condensed financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets and services. In addition, these unaudited interim condensed financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(Expressed in Canadian Dollars)

3. Accounts payable and accrued liabilities

The breakdown of the accounts payable and accrued liabilities is as follows:

	October 31, 2024	July 31, 2024
Accounts payable	$ **105,252**	$ 87,114
Accrued wages (i)	**86,378**	39,263
Accrued consulting	**197,411**	168,594
Total	$ **389,041**	$ 294,971

i) Accrued wages relate to management compensation to Ian Campbell, CEO of the Company, which have been reclassified as long-term liabilities, as further discussed in Note 8.

4. Promissory note

As at October 31, 2024, the Company has a promissory note of $11,596 (July 31, 2024 - $11,238) provided by the Company controlled by a consultant of the Company. The outstanding balance is secured, bears interest annual rate of 13% and is due in cash no later than January 31, 2025. The promissory note included principal amounts of $11,000 (July 31, 2023 - $11,000) and interest accrued of $596 (July 31, 2023 - $238).

5. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. As at October 31, 2024, the Company has 65,771,712 (July 31, 2024 – 65,771,712) shares issued and outstanding.

	Shares Issued	$
Balance, July 31, 2023	**45,065,322**	**2,314,719**
Shares issued for debt settlement (i)	9,778,209	293,346
Shares issued for financing (ii)	10,928,183	327,845
Shares issuance costs	-	(22,447)
Balance, October 31, 2023, July 31, 2024 and October 31, 2024	**65,771,714**	**2,913,463**

(i) On September 21, 2023, Neural closed the first tranche of the private placement ("**September 2023 Private Placement**") for gross proceeds of $293,346 through the issuance of 9,778,209 Neural Shares at a price of $0.03 per Neural Share. The Company paid cash finders' fees of $12,586 and issued 419,564 finders' warrants ("**Finders' Warrants**") each Finders' Warrant is exercisable into one Neural Share at a price of $0.05 per Neural Share until September 21, 2025.

(ii) On September 21, 2023, Neural settled $327,845 of indebtedness ("**September 2023 Debt Settlement**") owed through the issuance of 10,928,181 Neural Shares at a price of $0.03, which included settlement of $67,500 of indebtedness to John Durfy, Chairman of Neural and $16,219 of indebtedness to a company controlled by Robert Wilson, former Chief Financial Officer of Neural.

6. Shares to be issued

During the three months ended October 31, 2024, the Company has recorded $7,500 in shares to be issued for consultant services to be settled in Neural Shares.

As of July 31, 2024, the Company has recorded $46,880 in shares to be issued for consultant services to be settled in Neural Shares, including $17,150 to Dr. Kelly Narine, a former director of the Company and $4,730 to Marrelli Support Services Inc., a private company that employs Omar Gonzalez, the Company's Chief Financial Officer.

As of July 31, 2024, the Company has received $54,985 for the ongoing private placement of Neural Shares and recorded it in shares to be issued.

(Expressed in Canadian Dollars)

7. Reserve for Warrants

	Warrants Issued	$
Balance, July 31, 2023	**8,143,267**	**427,845**
Warrants issued in exchange for broker services (i)	419,564	9,861
Balance, as at October 31, 2023, July 31, 2024 and October 31, 2024	**8,562,831**	**437,706**

(i) As part of the September 2023 Private Placement, 419,564 Finders' Warrants were issued (see Note 5(i)). The value of the Finders' Warrants for $9,861 was calculated using the using the Black-Scholes pricing model and the assumptions at grant date were as followings: expected dividend yield of 0%; expected volatility of 191%; a risk-free interest rate of 4.95% and an expected life of 2 years. Volatility was based on comparable companies.

As at October 31, 2024, the following warrants and broker warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants Outstanding and Exercisable
February 3, 2025	$ 0.100	5,000,000
February 3, 2025	$ 0.075	575,800
August 3, 2025	$ 0.100	546,667
August 3, 2025	$ 0.075	20,800
September 21, 2025	$ 0.050	419,564
May 23, 2026	$ 1.000	2,000,000
		8,562,831

As at October 31, 2024, the weighted average exercise price of the warrants was $0.31 (July 31, 2024 – $0.31) and the weighted average remaining contractual life of the warrants was 0.62 years (July 31, 2024 – 0.87).

8. Related parties transactions

a. Key management compensation

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

On March 31, 2024, Ian Campbell - Chief Executive Officer and Director of Neural, John Durfy – Chairman of Neural, and FMI Capital Advisory Inc. ("**FMICA**") each entered into a waiver and deferral agreements with Neural ("**Amended Deferral Agreements**"), pursuant to which each party agreed to defer the respective amounts outstanding to them as follows: $283,510 (being the amount outstanding due to Mr. Campbell as of March 31, 2024), $67,800 (being the amount outstanding due to Mr. Durfy as of March 31, 2024) and $60,000 (being the amount outstanding due to FMICA as of March 31, 2024), until the earlier of: a) May 31, 2025; and b) Neural completing a financing for gross proceeds of no less than $400,000 following Listing, excluding Series A Financing ("**Deferral Trigger Date**").

As at October 31, 2024 and July 31, 2024, the balance outstanding with them has been reclassified from current liabilities into long-term liabilities. Mr. Durfy and FMICA agreed to defer all the monthly amounts that will become payable under their respective agreements with Neural from March 31, 2024, until the Deferral Trigger Date. These deferred amounts will become payable on the Deferral Trigger Date.

The amount due to FMICA was classified as "Due to Other Party".

(Expressed in Canadian Dollars)

The following is a summary of the key management compensation for the three months ended October 31, 2024 and 2023:

		2024	2023
Director fees (i)	$	22,500	22,500
Salaries (ii)		47,115	47,250
Marrelli Support Services Inc. (iii)		7,260	12,490
Total	**$**	**76,875**	**82,240**

(i) During the three months ended October 31, 2024, the Company incurred $22,500 (2023 - $22,500) of consulting fee paid to a company 100% owned by John Durfy, Chairman of the Company. As at October 31, 2024, $138,225 (July 31, 2024 - $115,725) was outstanding, of which $74,325 (July 31, 2024 - $74,325) is included in due to related parties as long-term liabilities and $63,900 (July 31, 2024 - $41,400) was included in accounts payable and accrued liabilities.

(ii) During the three months ended October 31, 2024, the Company incurred $47,115 (2023 - $47,250) in salaries, vacation accrual, and bonus expenses to Ian Campbell, CEO of the Company. As at October 31, 2024, $385,593 (July 31, 2024 - $338,477) was outstanding, of which $299,214 (July 31, 2024 - $299,214) is included in due to related parties as long-term liabilities and $86,379 (July 31, 2024 - $39,263) was included in accrued liabilities.

(iii) During the three months ended October 31, 2024, the Company incurred $7,260 (2023 - $12,490) for accounting and CFO services to Marrelli Support Services Inc. As at October 31, 2024, $43,450 (July 31, 2023 - $26,371) was included in accounts payable.

b. Due to related party

On May 31, 2023, the Company signed a waiver and payment deferral agreement ("**Deferral Agreement**") with Ian Campbell, CEO of the Company to defer the payment of amounts due to Mr. Campbell at the earlier of: a) 14 months from the date of the Deferral Agreement; and b) competing a financing for the gross proceeds of no less than $400,000 following a successful listing on a stock exchange in Canada. On March 31, 2024, the Deferral Agreement was amended to the Amended Deferral Agreements (as described in Note 8(a) above), and as a result, as of October 31, 2024, $373,539 (July 31, 2024 - $373,539) was outstanding and included in due to related parties, of which $299,214 (July 31, 2024 - $299,214) was due to Mr. Campbell, and $74,325 (July 31, 2024 - $74,325) was owing to Mr. Durfy.

9. Management of capital

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended October 31, 2024 and 2023. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity surplus/(deficiency), which is comprised of share capital, shares to be issued, reserve for warrants and deficit.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements, initial public offering, issuance of convertible debentures, debt, and sale leaseback transactions. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

10. Financial instruments

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to trade receivable. The Company has no other significant concentration of credit risk arising from operations. Cash are held with a reputable credit union which is closely monitored by management. Amounts receivable consists of trade amounts receivable, harmonized sales tax due from the Canadian government, promissory note receivable and other receivable from third parties.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The ability of the Company to continue as a going concern is dependent on its ability to obtain funding, manage cash flows, restructure borrowings, and recover funds loaned to borrowers that have currently been provided against or recover collateral that secured those loans. There is significant uncertainty as to whether the Company will be able to continue as a going concern and therefore, whether it will continue its normal business activities and realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the unaudited interim condensed financial statements. These unaudited interim condensed financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

In the short term, the continued operations of the Company may be dependent upon its ability to obtain additional financing. Without this additional financing, the Company may be unable to meet its obligations as they come due. There can be no certainty that the Company can obtain these funds, in which case any investment in the Company may be lost.

Foreign currency exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company enters into foreign currency purchase transactions and has assets and liabilities that are denominated in foreign currencies and thus is exposed to the financial risk fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk.

An increase (decrease) of 10% in the currency exchange rate of the Canadian dollar versus US dollar would have impacted the Company's net loss by $1,000 (July 31, 2024 - $nil) as a result of the Company's exposure to currency exchange rate fluctuations.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. The Company manages interest rate risk by monitoring market conditions and the impact of interest rate fluctuations on its debt. The Company does not have any interest-bearing financial liabilities.

11. Commitments and other contingencies

In accordance with the terms of the employment agreement dated September 16, 2021 ("**Employment Agreement**") between the Company and Ian Campbell, CEO of the Company, subject to the achievement of certain milestones, the Company is obliged to issue Neural Share representing up to 3.5% of the issued and outstanding capital of the Company as constituted at the closing of the seed financing. Further, subject to the achievement of certain milestones, the Company is obliged to issue options for common shares representing up to 2% of the issued and outstanding capital of the Company prior the Company listing of its common shares on a recognized stock exchange. The share issuances to Mr. Campbell in connection with the Employment Agreement remain unissued as of the date hereof. Such stock options shall be exercisable at a price that is a 20% premium to the last financing price whereby shares of the Company were issued immediately prior to Listing, and shall vest in equal amounts, every six (6) months over three (3) years from their date of granting, or as required under applicable securities legislation and regulation, and will be subject to the terms of any stock option plan adopted by the Company.

In accordance with the terms of an advisory agreement with FMICA dated December 17, 2021, subject to the completion of a listing of its common shares on a recognized Canadian exchange and a concurrent financing, the Company is obliged to issue a fee payable in a form of Neural Shares (plus HST in cash) equal representing up to 5% of the issued and outstanding capital of the Company after completion of listing.

In accordance with the terms of an advisory agreement with a private company controlled by Robert Wilson, former Chief Financial Officer of Neural, the Company committed to issue 366,667 Neural Shares, which remains to be issued.

12. Subsequent events

Letter of Intent with CWE European Holdings Inc.

On September 27, 2024, the Company has signed a non-binding letter of intent ("**LOI**") to acquire an interest in CWE European Holdings Inc., ("**CWE**" or "**HANF**") a prominent hemp-based product retailer in Germany. CWE owns and operates both physical and online stores, with 12 locations in the State of Bavaria in Germany under the brand name "HANF". Notably, CWE's private label products account for 50% of its offline retail sales.

Under the terms of the LOI, Neural and CWE intend to enter into an agreement or series of agreements ("**Definitive Agreement**") that will give Neural an option to acquire an interest in CWE as follows:

- ***Series A Option*** - Neural will have an option to acquire approximately 36% equity interest in CWE in by issuing an aggregate of 80,000,000 common shares in the capital of Neural ("**Neural Shares**"), determined using an exchange ratio ("**Exchange Ratio**") of four Neural Shares for each corresponding share in the capital of CWE ("CWE Share")
- ***Series B Option*** - Neural will have an option to acquire the remaining 64% equity interest in CWE, subject to the same Exchange Ratio, with the exact number of Neural securities to be determined in the Definitive Agreement.

The LOI is intended as an expression of the mutual intention of the Parties to proceed towards settling the Definitive Agreement and is not a binding contract or commitment to consummate the transactions set out in the LOI. Completion of the transactions described herein are subject to a number of conditions, including but not limited to, execution of the Definitive Agreement, completion of satisfactory due diligence, CSE acceptance and receipt of requisite regulatory approvals. Where applicable, the proposed transaction cannot close until the required shareholder approvals, and any ancillary matters thereto, are obtained. There can be no assurance that the transactions will be completed as proposed or at all.

On November 15, 2024, Neural and CWE agreed to amend CWE LOI to extend the deadline to enter into Definitive Agreement to December 31, 2024.

On December 16, 2024, Neural and CWE agreed to amend CWE LOI to extend the deadline to enter into Definitive Agreement to January 31, 2025.

Conditional Approval to List on the CSE

Further to its press release dated May 8, 2024, Neural received conditional approval ("**Conditional Approval**") to list Neural Shares on the CSE, contingent upon fulfilling specific requirements such as completing financing of at least $500,000 and filing the documentation that may be required by the CSE. Neural remains committed to satisfying these conditions promptly and expects to secure final approval in due course. The terms of the Concurrent Financing (as such term is defined in the Neural press release dated May 8, 2024) remain unchanged and Neural continues to work toward completing the Concurrent Financing.

Listing is not conditional on closing of the transactions between CWE and Neural described herein, and the parties do not expect that the Definitive Agreement will be signed, or that the transactions between CWE and Neural will be completed prior to listing.

Deferral Agreements, Consultant Agreement and HCA Termination Agreement

On November 15, 2024, Neural entered into waiver and payment deferral agreements ("**Deferral Agreements**") with Ian Campbell, CEO of Neural, Humber Capital Advisors Inc. ("**HCA**"), a company that is owned by John Durfy, Chairman of Neural and certain arm's length parties (collectively "**Creditors**"), which resulted in a deferral of certain accounts payable and accrued liabilities of an aggregate of $691,318 ("**Deferred Amount**"). Pursuant to the terms of the Deferral Agreements, the Deferred Amount was deferred until the date ("**Deferral Trigger Date**") that is the earlier of: (a) January 15, 2026; and (b) the Company completing a financing for gross proceeds of no less than $400,000 following a successful listing on a recognized stock exchange in Canada ("**Listing**"), which for greater clarity, excludes the financing that is expected to be completed in connection with or immediately prior to such Listing. Following entry into the Deferral Agreements, the Creditors entered into agreements to assign approximately $551,318 of the Deferred Amount to an unrelated third party.

On November 15, 2024, the Company entered into an agreement to replace the employment agreement with Ian Campbell, CEO of Neural with a consulting agreement ("**Campbell Consulting Agreement**"), which provides for payment of a fee of $2,000 per month on a go-forward basis. Pursuant to the Campbell Consulting Agreement, Ian Campbell will continue to serve as the Chief Executive Officer, Secretary and Director of Neural.

On November 15, 2024, the Company agreed to terminate the consulting agreement with HCA ("**HCA Termination Agreement**"). John Durfy will continue to serve as a Chairman of the Board of Neural.

On November 15, 2024 Neural agreed to issue 21,467,163 common share purchase warrants (each a "**Warran**t"), as follows: (a) 1,381,426 Warrants to Ian Campbell in connection with the execution of the Campbell Consulting Agreement; (b) 6,715,967 Warrants to John Durfy, in connection with the execution of the HCA Termination Agreement; (c) 9,120,001 Warrants in connection with consulting agreements entered into with third parties and (d) 4,249,769 Warrants to settle payables of $4,125 with an unrelated party. Each Warrant will be exercisable into one common share in the capital of Neural ("**Neural Shares**") at a price of $0.05 per Neural Share for a period of three years from the date of issuance, subject to acceleration by the Company giving at least 30 days' notice if the Neural Shares trade at a volume-weighted average price of $0.15 or higher for a period of at least 10 consecutive trading days. The Warrants have not yet been issued by Neural and further updates in regard to the issuance date will be announced through a press release.

On December 13, 2024, Alex Storcheus and Eran Ovadya were appointed as new directors of Neural. Mr. Storcheus is a director, office and an indirect 30% owner of FMICA, which has a consulting agreement with Neural (see Note 8(a) and Note 11). During the fiscal year ended July 31, 2024, Neural issued a promissory note to Northern Star Capital Inc. in the amount of $11,000 (see Note 4), a company that is 100% owned by Mr. Storcheus.