Predictmedix Inc.

Consolidated Financial Statements
January 31, 2023

(Expressed in Canadian Dollars)

PREDICTMEDIX INC.

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KRESTON GTA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Predictmedix Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Predictmedix Inc. (the "Company") as of January 31, 2023, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and statements of cash flows for the year then ended January 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Company for the period ended January 31, 2022 were audited by another auditor who expressed an unmodified opinion on the report dated May 31, 2022.

Critical Audit Matters

The critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

We have served as the Company's auditor since 2023.

Kreston GTA LLP

Chartered Professional Accountants

Licensed Public Accountants

Markham, Canada

May 31, 2023

Predictmedix Inc.
Consolidated Statements of Financial Position
(in Canadian dollars)

ASSETS		**January 31, 2023**		January 31, 2022
CURRENT				
Cash and cash equivalents		**79,250**	$	211,302
Accounts receivable (Note 12)		**12,506**		169,545
Sales tax receivable		**25,982**		211,482
Prepaid expenses		**19,742**		49,295
		137,480		641,624
Property and equipment (Note 4)		**134,547**		76,255
Intangible assets (Note 5)		**445,708**		518,778
TOTAL ASSETS	**$**	**717,735**	$	1,236,657
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**833,254**	$	334,452
Promissory note payable (Note 14)		**37,870**		-
Deferred revenue		**-**		15,220
TOTAL LIABILITIES	**$**	**871,124**		349,672
SHAREHOLDERS' EQUITY				
Share Capital (Note 7)		**6,256,524**		5,716,131
Share subscriptions received		**50,000**		-
Warrant reserve (Note 7)		**596,890**		510,483
Share-based payment reserve (Note 6)		**1,026,143**		675,560
Accumulated deficit		**(8,082,946)**		(6,015,189)
TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY	**$**	**(153,389)**		886,985
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY	$	**717,735**	$	1,236,657

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Commitment and contingencies (Note 9)
Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

/s/ "Sheldon Kales"

Signed: Sheldon Kales, CEO and Director

/s/ "Rahul Kushwah"

Signed: Rahul Kushwah, COO and Director

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

Predictmedix Inc.
Consolidated Statements of Loss and Comprehensive Loss
(in Canadian dollars)

		Year ended January 31, 2023		Year ended January 31, 2022
Revenue (Note 12)	**$**	**35,020**	$	134,820
Cost of revenue		**8,400**		50,000
Gross profit		**26,620**		84,820
Expenses				
Administration and general	**$**	**89,434**	$	33,349
Amortization and depreciation (Notes 4, 5)		**159,455**		79,288
Audit and accounting		**70,050**		33,983
Consulting fees		**351,875**		175,746
Interest		**2,870**		-
Investor relations		**51,936**		99,307
Legal fees		**94,837**		192,615
Management fees (Note 8)		**282,010**		269,845
Marketing expenses		**294,056**		508,609
Payroll and related		**115,929**		165,342
Rent expense (Note 8)		**35,901**		32,147
Research and development		**82,600**		72,885
Share based compensation (Note 6)		**350,583**		182,996
Transfer agent and filing fees		**65,576**		51,244
Travel, entertainment and related		**11,265**		33,642
Vehicle use expenses (Note 8)		**36,000**		36,000
Total operating expenses		**(2,094,377)**		(1,966,998)
Income tax (Note 13)		**-**		-
Loss and comprehensive loss	**$**	**(2,067,757)**	$	(1,882,178)
Loss and comprehensive loss attributable to:				
Shareholders	**$**	**(2,067,757)**	$	(1,882,178)
Non-controlling interest	**$**	**-**	$	-
Loss per share-Basic and Diluted	**$**	**(0.018)**	$	(0.017)
Weighted average number of shares outstanding-Basic and Diluted		**114,168,278**		107,925,066

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

Predictmedix Inc.
Consolidated Statement of Changes in Shareholders' Equity
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Warrant reserve	Share-based payment reserve	Share subscriptions received	Deficit	Total
Balance as at January 31, 2021	**101,717,973**	**$ 4,031,650**	**$ 115,802**	**$ 853,848**	**$ -**	**$ (4,133,011)**	**$ 868,289**
Private placement of units	3,114,569	695,404	394,681	-	-	-	1,090,085
Share issuance costs	-	(3,770)	-	-	-	-	(3,770)
Exercise of options	3,968,750	956,597	-	(361,284)	-	-	595,313
Share-based compensation	-	-	-	182,996	-	-	182,996
Shares issued for services	250,000	36,250	-	-	-	-	36,250
Net loss for the year	-	-	-	-	-	(1,882,178)	(1,882,178)
Balance as at January 31, 2022	**109,051,292**	**$ 5,716,131**	**$ 510,483**	**$ 675,560**	**$ -**	**$ (6,015,189)**	**$ 886,985**
Private placement of units	9,900,000	399,961	95,039	-	-	-	495,000
Share issuance costs	-	(24,568)	(8,632)	-	-	-	(33,200)
Share subscriptions received	-	-	-	-	50,000	-	50,000
Share-based compensation	-	-	-	350,583	-	-	350,583
Shares issued for services	3,100,000	165,000	-	-	-	-	165,000
Net loss for the year	-	-	-	-	-	(2,067,757)	(2,067,757)
Balance as at January 31, 2023	**122,051,292**	**$ 6,256,524**	**$ 596,890**	**$ 1,026,143**	**$ 50,000**	**$ (8,082,946)**	**$ (153,389)**

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

Predictmedix Inc.
Consolidated Statements of Cash Flows
(in Canadian dollars)

		For the year ended January 31, 2023		For the year ended January 31, 2022
OPERATING ACTIVITIES				
Net loss	$	**(2,067,757)**	$	(1,882,178)
Non-cash items included in net loss and other adjustments:				
Amortization		159,455		79,288
Share-based compensation		350,583		182,996
Shares issued for services		165,000		36,250
Interest		2,870		-
Changes in non-cash working capital:				
Sales tax receivable		185,500		(99,530)
Prepaid expenses		29,553		106,147
Accounts receivable		157,039		(169,545)
Accounts payable and accrued liabilities		498,802		199,098
Deferred revenue		(15,220)		15,220
CASH USED IN OPERATING ACTIVITIES		**(534,175)**		(1,532,254)
INVESTING ACTIVITIES				
Purchase of property and equipment		(94,827)		(84,754)
Purchase of intangible assets		(49,850)		(333,369)
CASH USED IN INVESTING ACTIVITIES		**(144,677)**		(418,123)
FINANCING ACTIVITIES				
Proceeds from issuance of units		495,000		1,090,085
Share issue expenses		(33,200)		(3,770)
Proceeds from promissory note		35,000		-
Share subscriptions received		50,000		-
Proceeds from exercise of options		-		595,313
CASH PROVIDED BY FINANCING ACTIVITIES		**546,800**		1,681,628
NET CHANGE IN CASH DURING THE YEAR		**(132,052)**		(268,749)
CASH, BEGINNING OF YEAR		211,302		480,051
CASH, END OF YEAR	$	**79,250**	$	211,302
Cash paid for interest and income taxes	$	**-**	$	**-**

Supplemental cash flow information

Non-cash transactions during the year affecting cash flows from financing and investing activities:

Shares issued for prepayment and expense for consulting fees	$	165,000	$	36,250

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

1. Organization and Nature of Operations

Admiral Bay Resources Inc. (“Admiral”) was incorporated in British Columbia on September 3, 1987.

Effective September 23, 2019, Admiral was part of a three-cornered amalgamation among Admiral, 2693980 Ontario Inc. (a wholly owned subsidiary of Admiral) and Cultivar Holdings Ltd. (the “Transaction”).

At completion of the Transaction, Admiral changed its name to Cultivar Holdings Inc. (the “Company”).

On April 9, 2020, the Company completed its name change from "Cultivar Holdings Inc." to "Predictmedix Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is CUSIP 74040L100 (ISIN CA74040L1004). In connection with the Name Change, the Company's trading symbol, as listed on the CSE and the OTCQB have also been changed from "CULT" to "PMED", and from "CVRHF" to "PMEDF", respectively.

The Company’s business is focused on developing artificial intelligence (“AI”) powered technologies for general workplace health and safety, and for the health care industry. The Company’s business is focussed on artificial intelligence (“AI”) technologies which are targeting two specific areas: 1) workplace health and safety and 2) healthcare.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

2. Basis of Presentation and Going Concern

Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company’s reporting currency.

Statement of Compliance

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

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries; Cultivar Holdings Ltd. and Cann from the date of acquisition. All inter-company transactions and balances have been eliminated on consolidation.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These consolidated financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At January 31, 2023, the Company had cash and cash equivalents of $79,250, current liabilities in excess of current assets of $733,644 and an accumulated deficit of $8,082,946. The continuing operations of the Company are dependent on generation of revenues and profits and funding to be provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

<u>Critical Judgements</u>

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above).

<u>Key Sources of Estimation Uncertainty</u>

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

<u>Key Sources of Estimation Uncertainty (Cont'd)</u>

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Useful life of intangible assets

The intangible asset is amortized over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence

Impairment of long lived assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Provision for expected credit losses of trade receivables

The Company assesses the expected credit losses (ECL) on accounts receivable on their sole customer considering the unique circumstances and ongoing communication. There is limited historical data of repayments and no credit rating available. While the receivables are overdue, based on the constant contact, agreement with the customer, and written confirmation received on agreed balances the Company has determined the ECL for this customer to be zero.

Approval of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 31, 2023.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash

Cash comprises of cash held at banks and amounts held in trust. The majority of the Company's cash is held in a major financial institution. The Company does not invest in any asset-backed deposits or investments.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

3. Significant Accounting Policies (Cont'd)

Share Capital

Common shares and warrants are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares are recognized as a reduction of shareholders' equity, net of tax.

The Company has adopted a relative fair value method with respect to the measurement of common 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, with fair value attributed to the warrants being recorded to the Company's warrant reserve.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based payments

The Company grants stock options to buy common shares of the Company to consultants and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised, and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

3. Significant Accounting Policies (Cont'd)

Property and equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred.

The Company amortizes its property and equipment using the following rates:

Equipment	30% per annum, declining balance

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the asset acquired, which varies depending on the nature of the intangible asset. Intangible assets are amortized from the date when they are available for use.

The estimated useful life is reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Internally incurred development costs are recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the intangible asset so that it will be available for use;
b) management intends to complete the intangible asset and use or sell it;
c) there is an ability to use or sell the intangible asset;
d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Intangible assets may relate to the Company's external development expenditures in relation to intellectual property development. Development expenditures that do not meet these criteria are recognized as an expense as incurred. Intangible assets with definite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. These intangible assets will be amortized when they are ready for use. The amortization period and the amortization method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis.

3. Significant Accounting Policies (Cont'd)

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (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 if the Company has opted to measure them at FVTPL.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
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.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Financial liabilities
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 determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the year ended January 31, 2023 there were no transfers between the level of fair value hierarchy. The carrying amounts of these financial instruments are approximately estimate their fair values.

<u>Impairment of financial assets</u>

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant Accounting Policies (Cont'd)

Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, the Company classified its revenue as being principally derived from the following source:

- Screening services revenue on deployment of safe entry stations for use of the Company's technology.
- Revenue from the sale of screening services is recognized based on the transaction price. Upfront fees as set-up fees are included in the transaction price and allocated to the performance obligation in the contract. Revenue is recognized as the performance obligations are satisfied.

Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker (CODM). The CODM has been identified as the Board of Directors of the Company. For management purposes, the Company uses the same measurement policies as those used in its financial statements. The CODM evaluates the performance of each segment based on net profit (loss). The Company operates in a single reportable operating segment.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(in Canadian dollars)

4. Property and Equipment

	Equipment	Total
Cost		
Balance as at January 31, 2021	**$ 13,368**	**$ 13,368**
Additions	84,755	84,755
Balance as at January 31, 2022	**$ 98,123**	**$ 98,123**
Additions	94,827	94,827
Balance as at January 31, 2023	**$ 192,950**	**$ 192,950**
Accumulated Depreciation		
Balance as at January 31, 2021	**$ 5,180**	**$ 5,180**
Depreciation	16,688	16,688
Balance as at January 31, 2022	**$ 21,868**	**$ 21,868**
Depreciation	36,535	36,535
Balance as at January 31, 2023	**$ 58,403**	**$ 58,403**
Net Carrying Amounts		
As at January 31, 2023	**$ 134,547**	**$ 134,547**
As at January 31, 2022	**$ 76,255**	**$ 76,255**

5. Intangible Assets

a) On July 21, 2020, the Company completed the acquisition of MobileWellbeing (“MWB”), an innovative, feature rich, Telemedicine Remote Patient Monitoring platform that will integrate with the Company’s Artificial Intelligence ("AI") driven rapid screening system for infectious diseases, including COVID-19.

The consideration for the purchase was satisfied by payment in cash for $25,000, issuance of 20,000 shares and additional 30,000 shares that were issued on the 90th day of close. Consideration paid in the form of equity instruments is being considered share- based payment within the scope of IFRS 2 Share-based Payment and this asset acquisition is fair valued for a total consideration for $78,000 at the point control was obtained.

The acquisition has contingent considerations and royalty payments on achievement of certain milestones. The Company shall pay royalty of 20 percent of gross sales from the first $2.5 million in sales generated exclusively from the MWB platform. In addition, the Company is obligated to issue an additional 200,000 common shares commencing with the release of the initial version of the MWB platforms to the market and achievement of sales related milestones.

Contingent consideration in an asset acquisition was discussed at the March 2016 IFRS Interpretations Committee (IFRIC) meeting. An accounting policy choice exists, therefore an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. The Company has opted to recognize the liability only when the related activity that gives rise to the variability occurs.

(in Canadian dollars)

5. Intangible Assets (Cont'd)

Consideration	
Cash consideration on closing	$ 25,000
Issued shares (50,000 shares issued at $1.06/share)	53,000
	$ 78,000

Purchase Price allocation	
Intangible asset- MWB remote patient monitoring platform	$ 78,000
	$ 78,000

b) The Company's other intangible asset relates to the development of infectious disease symptom screening solution ("IDSS").

The Company has commenced amortization on the intangible assets on a straight line basis over the useful life estimated to be for 5 years.

The Company's intangible assets are comprised of the following:

		MWB		**IDSS**		**Total**
Cost						
Balance at January 31, 2021	**$**	**91,970**	**$**	**156,040**	**$**	**248,010**
Additions		46,591		286,778		333,369
Balance at January 31, 2022	**$**	**138,561**	**$**	**442,818**	**$**	**581,379**
Additions		**-**		49,850		49,850
Balance at January 31, 2023	**$**	**138,561**	**$**	**492,668**	**$**	**631,229**
Accumulated amortization:						
Balance as at January 1, 2021	$	-	$	-	$	-
Amortization		18,990		43,611		62,601
Balance as at January 31, 2022	$	18,990	$	43,611	$	62,601
Amortization		27,708		95,212		122,920
Balance as at January 31, 2023	$	46,698	$	138,823	$	185,521
Net Book Value						
Balance, January 31, 2023	**$**	**91,863**	**$**	**353,845**	**$**	**445,708**

(in Canadian dollars)

Balance, January 31, 2022	**$**	**119,571**	**$**	**399,207**	**$**	**518,778**

6. Stock-based Compensation

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

Year ended January 31, 2023

(a) The Company expensed $1,834 relating to the vesting of options issued on March 23, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(b) The Company expensed $6,778 relating to the vesting of options issued on June 9, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(c) The Company expensed $7,826 relating to the vesting of options issued on July 30, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(d) On January 13, 2023, the Company granted options to its directors, officers and consultants to purchase up to 10,000,000 common shares. These options were issued at an exercise price of $0.05 per share and vest immediately. These options have a term of four (4) years expiring on January 13, 2027. The Company expensed $334,145 related to the vesting of the options. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		4.00%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		141%
Expected life		4 years
Unvested stock-based compensation expense as of January 31, 2023	$	-

As of January 31, 2023, there was $nil of unvested stock-based compensation expense.

Year ended January 31, 2022

(a) The Company expensed $34,246 relating to the vesting of options issued on July 17, 2020, resulting in unvested stock- based compensation expense of $nil as of January 31, 2022.

(b) The Company expensed $18,958 relating to the vesting of options issued on September 21, 2020, resulting in unvested stock- based compensation expense of $nil as of January 31, 2022.

(c) On March 23, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.36 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of one (1) year expiring on March 23, 2022. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

(in Canadian dollars)

6. Stock-Based Compensation (Cont'd)

Risk free rate		0.26%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		134.3%
Expected life		1 year
Unvested stock-based compensation expense as of January 31, 2022	$	1,834

During the year ended January 31, 2022, the Company expensed $50,675 relating to the vesting of options, resulting in unvested stock- based compensation expense of $1,834 as of January 31, 2022.

(d) On June 9, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.345 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of 18 months expiring on December 9, 2022. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		0.32%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		146.38%
Expected life		1.5 years
Unvested stock-based compensation expense as of January 31, 2022	$	6,778

During the year ended January 31, 2022, the Company expensed $48,672 relating to the vesting of options, resulting in unvested stock- based compensation expense of $6,778 as of January 31, 2022.

(e) On July 30, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.25 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of 18 months expiring on January 30, 2023. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		0.38%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		131.33%
Expected life		1.5 years
Unvested stock-based compensation expense as of January 31, 2022	$	7,826

During the year ended January 31, 2022, the Company expensed $30,445 relating to the vesting of options, resulting in unvested stock- based compensation expense of $7,826 as of January 31, 2022.

As of January 31, 2022, there was a total of $16,438 of unvested stock-based compensation expense.

(in Canadian dollars)

6. Stock-Based Compensation (Cont'd)

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, January 31, 2021	**9,095,000**	**$0.18**
Granted	750,000	$0.32
Expired	(4,776,250)	$0.17
Exercised	(3,968,750)	$0.15
Outstanding, January 31, 2022	**1,100,000**	**$0.42**
Granted	10,000,000	$0.05
Expired	(70,000)	$0.54
Expired	(200,000)	$0.54
Expired	(250,000)	$0.36
Expired	(250,000)	$0.35
Outstanding January 31, 2023	**10,330,000**	**$0.06**

As at January 31, 2023, the Company had the following share purchase options outstanding and exercisable:

Number of options Outstanding	**Exercisable**	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
80,000	80,000	$1.02	2.46	July 17, 2025
250,000	250,000	$0.25	0.50	July 30, 2023
10,000,000	10,000,000	$0.05	3.95	January 13, 2027
10,330,000	10,330,000	$0.06	3.86	

7. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares without par value

a) Common shares

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At January 31, 2023, the Company has 122,051,292 common shares issued and outstanding.

b) Share issuances

<u>During the year ended January 31, 2023</u>

- On August 22, 2022, the Company closed the first tranche of a private placement of 8,300,000 units at $0.05 per unit for a consideration of $415,000. Each unit is comprised of one common share and one-half common share purchase warrant, with each whole warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 3.49%; expected volatility of 101.42%; expected life of 2 years. The relative fair value of the 4,150,000 warrants has been valued at $83,830 and common shares at $331,170. In connection with this private placement, the Company incurred $33,200 in share issuance costs.
- On August 22, 2022, 1,200,000 shares were fair valued at $72,000 and issued for services.
- On September 30, 2022, 200,000 shares were fair valued at $12,000 and issued for services.
- On October 24, 2022, 300,000 shares were fair valued at $15,000 and issued for services.
- On October 31, 2022, 200,000 shares were fair valued at $9,000 and issued for services.
- On November 1, 2022, the Company closed the final tranche of a private placement of 1,600,000 units at $0.05 per unit for a consideration of $80,000. Each unit is comprised of one common share and one-half common share purchase warrant, with each whole warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 3.91%; expected volatility of 102.4%; expected life of 2 years. The relative fair value of the 800,000 warrants has been valued at $11,208 and common shares at $68,792.
- On November 7, 2022, 1,000,000 shares were fair valued at $50,000 and issued for services.
- On November 30, 2022, 200,000 shares were fair valued at $7,000 and issued for services.

During the year the Company received $50,000 being subscription for 1,000,000 units (the "Units") at a price of $0.05 per unit. (See subsequent event note 17)

(in Canadian dollars)

7. Capital Stock (Cont'd)

<u>During the year ended January 31, 2022</u>

- On March 5, 2021, the Company closed a private placement of 3,114,569 units at $0.35 per unit for a consideration of $1,090,085. Each unit is comprised of one common share and one common share purchase warrant, with each warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 0.29%; expected volatility of 131%; expected life of 2 years. The relative fair value of the warrants has been valued at $394,681 and common shares at $695,404. In connection with this private placement, the Company incurred $3,770 in share issuance costs.
- 3,968,750 shares were issued upon exercise of 3,968,750 options at a price of $0.15 per share for total gross proceeds of $595,313. An amount of $361,284 was reclassed from share-based payment reserve to share capital.
- 250,000 shares were fair valued at $36,250 and issued for services.

c) Warrants

Continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, January 31, 2021	**1,548,000**	**$0.50**
Issued	3,114,569	$0.50
Expired	(1,548,000)	$0.50
Outstanding, January 31, 2022	**3,114,569**	**$0.50**
Issued	4,150,000	$0.10
Issued	800,000	$0.10
Expired	-	-
Outstanding, January 31, 2023	**8,064,569**	**$0.25**

As at January 31, 2023, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
3,114,569	$0.50	0.09	March 5, 2023
4,150,000	$0.10	1.56	August 22, 2024
800,000	$0.10	1.75	November 1, 2024
8,064,569	$0.25	1.01	

(in Canadian dollars)

8. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		Year ended January 31, 2023		Year ended January 31, 2022
Management fees to the CEO	$	120,000	$	109,500
Management fees to the COO		102,000		92,000
Management fees to the CFO		60,010		68,345
Total Management fees	**$**	**282,010**	**$**	**269,845**
Vehicle expense to the CEO		18,000		18,000
Vehicle expenses to the COO		18,000		18,000
Rent to the CEO included in rent expense		24,000		28,500
	$	**342,010**	**$**	**334,345**

During the year ended January 31, 2023, the Company paid $149,000 (January 31, 2022: $127,000) being marketing and other expenses to companies controlled by the close family member of the CEO.

As of January 31, 2023, there was $197,108 due to related parties (January 31, 2022- $nil). During the year ended January 31, 2023, there was $12,995 advanced to the CEO to meet Company expenses (2022: $12,995) and included in prepaid expenses.

9. Commitments and Contingencies

Effective July 1, 2022, the Company signed a new two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $10,000 for CEO services. In addition, the Company is obligated to pay monthly rent of $2,000 and an additional $1,500 for the use of a personal vehicle.

Effective July 1, 2022, the Company signed a two-year contract with a corporation owned and controlled by the COO to pay monthly compensation of $8,500 for COO services. In addition, the Company is obligated to pay an additional $1,500 for the use of a personal vehicle.

10. Financial Instruments

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the year ended January 31, 2023 there were no transfers between the level of fair value hierarchy. The carrying amounts of these financial instruments are approximately estimate their fair values due to their short-term nature.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk.

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk as during the year ended January 31, 2023, one customer represented 95% of the total revenue and represented 86% of the total accounts receivable. (January 31, 2022: one customer represented 100% of total revenue and 100% of total receivable)

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 Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

The carrying amount of the company's financial liabilities approximates their contractual undiscounted cash flows and due within 0 to 12 month as of January 31, 2023 and January 31, 2022.

As at January 31, 2023, the Company had cash and cash equivalents of $79,250 to settle current liabilities of $871,124 (as at January 31, 2022: cash and cash equivalents of $211,302 to settle current liabilities of $349,672.

10. Financial Instruments (Cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

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

11. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at January 31, 2023 was a deficiency of $153,389. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital or debt of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

(in Canadian dollars)

12. Business Segment and Concentration

The Company is currently focused on artificial intelligence (“AI”) technologies which are targeting two specific areas: 1) workplace health and safety and 2) healthcare. All assets are located in Canada except property and equipment for $53,374 (prior year $76,255) which is located in India.

During the year ended January 31, 2023, one customer represented 95% of the total revenue and represented 86% of the total accounts receivable. (January 31, 2022: one customer represented 100% of total revenue and 100% of total receivable)

13. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		January 31, 2023		**January 31, 2022**
Loss for the period	$	(2,067,757)	$	(1,882,178)
Tax rate		27%		27%
Expected income tax recoverable at statutory rate		(558,000)		(508,000)
Change due to acquisition, tax rates, and other		-		-
Non-deductible items		95,000		54,000
Share issuance costs		(7,000)		(1,000)
Expired non-capital losses				-
Change in unrecognized deductible temporary differences		470,000		455,000
Total income tax recovery	$	-	$	-

<u>Deferred tax assets</u>

The significant components of the Company’s deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		January 31, 2023		**January 31, 2022**
Non-capital losses available for future period	$	2,159,000	$	1,821,000
Share issuance costs		11,000		13,000
Property equipment and intangible assets		45,000		22,000
Total deferred tax assets		2,215,000		1,856,000
Less: Unrecognized deferred tax assets		(2,215,000)		(1,856,000)
Net deferred tax assets	$	-	$	-

(in Canadian dollars)

13. Income Taxes (Cont'd)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		January 31, 2023	Expiry Date	January 31, 2022
Non-capital losses	$	7,995,200	2027 – 2043	6,745,000
Share issuance costs	$	41,000	2043 – 2047	47,000
Property equipment and intangible assets	$	168,000	No expiry	84,000

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

14. Promissory note

On December 12, 2023, the Company availed a loan for $35,000 repayable in four months by issue of a promissory note. The loan carries an interest of 59.9%pa. The Company accrued interest of $2,870 as of January 31, 2023. This loan is not repaid as of January 31, 2023.

15. Subsequent events

a) On February 13, 2023, the Company announced that it closed a non-brokered private placement for total gross proceeds of $612,500. The Company issued 12,250,000 units (the "Units") at a price of $0.05 per unit. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. All securities issued in connection with the financing are subject to a statutory hold period expiring four months and one day from the securities' issuance date.

b) On February 23, 2023, the Company issued 500,000 shares on exercise of options at $0.05 per common share.

c) On March 28, 2023, the Company issued 600,000 options to consultants exercisable at $0.15 per share and expire on March 28, 2027.

d) On May 25, 2023, the Company issued 335,000 shares to consultants for services