PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)

Condensed interim consolidated financial statements

For the three and six months ended July 31, 2023 and 2022

(Unaudited - expressed in Canadian Dollars)

NOTICE TO READER

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

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

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

PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JULY 31, 2023 AND 2022

(Unaudited - Amounts expressed in Canadian Dollars)

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PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)
Condensed Interim Statements of Financial Position
(Unaudited – expressed in Canadian dollars)

ASSETS		**July 31, 2023**		January 31, 2023
CURRENT				
Cash and cash equivalents		**213,797**	$	79,250
Accounts receivable		**1,800**		12,506
Sales tax receivable		**70,487**		25,982
Due from related party		**97,500**		-
Prepaid expenses		**18,802**		19,742
		402,386		137,480
Property and equipment (Note 4)		**114,366**		134,547
Intangible assets (Note 5)		**382,076**		445,708
TOTAL ASSETS	**$**	**898,828**	$	717,735
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**344,198**	$	833,254
Promissory note payable (Note 13)		**-**		37,870
TOTAL LIABILITIES	**$**	**344,198**		871,124
SHAREHOLDERS' EQUITY				
Share Capital (Note 7)		**7,605,914**		6,256,524
Share subscriptions received		**-**		50,000
Warrant reserve (Note 7)		**1,124,140**		596,890
Share-based payment reserve (Note 6)		**1,078,653**		1,026,143
Accumulated deficit		**(9,254,077)**		(8,082,946)
TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY	**$**	**554,630**		(153,389)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY	$	**898,828**	$	717,735

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

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 interim condensed consolidated financial statements

PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Unaudited- expressed in Canadian dollars)

		For the three months ended July 31, 2023		For the three months ended July 31, 2022		For the six months ended July 31, 2023		For the six months ended July 31, 2022
Revenue	$	-	$	5,300	$	-	$	26,800
Cost of Revenue		-		-		-		8,400
Gross profit		-		5,300		-		18,400
Expenses:								
Administration and general	$	16,925	$	21,110	$	25,571	$	32,071
Amortization (Notes 4,5)		41,907		40,125		83,813		77,378
Audit and accounting		3,877		15,000		3,877		15,000
Consulting fees		201,787		70,577		334,450		101,126
Interest		3,778		-		9,018		-
Investor relations		-		20,774		-		51,936
Legal fees		29,354		6,762		37,318		30,673
Management fees (Note 8)		114,830		76,340		184,230		134,240
Marketing expenses		147,138		65,911		272,663		121,587
Payroll and related		-		22,683		-		48,570
Rent expenses (Note 8)		11,829		8,898		20,177		17,530
Share based compensation (Note 6, 7)		42,990		3,913		95,500		16,438
Transfer agent and filing fees		30,770		13,634		42,190		33,200
Travel, entertainment and related		39,381		3,581		44,324		4,927
Vehicle expenses (Note 8)		9,000		9,000		18,000		18,000
Total operating expenses	$	(693,566)	$	(378,308)	$	(1,171,131)	$	(702,676)
Loss and comprehensive loss	$	(693,566)	$	(373,008)	$	(1,171,131)	$	(684,276)
Loss per share-Basic and Diluted	$	(0.005)	$	(0.003)	$	(0.009)	$	(0.006)
Weighted average number of shares outstanding- Basic and Diluted		140,234,369		109,051,292		136,675,820		109,051,292

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

PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)
Condensed Consolidated Statement of Changes in Shareholders' Equity
for the periods ended July 31, 2023 and July 31, 2022
(Unaudited- expressed 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, 2022	**109,051,292**	**$ 5,716,131**	**$ 510,483**	**$ 675,560**	**$ -**	**$ (6,015,189)**	**$ 886,985**
Share-based compensation	-	-	-	16,438	-	-	16,438
Share subscriptions received	-	-	-	-	270,000	-	270,000
Net loss for the period	-	-	-	-	-	(684,276)	(684,276)
Balance as at July 31, 2022	**109,051,292**	**$ 5,716,131**	**$ 510,483**	**$ 691,998**	**$ 270,000**	**$ (6,699,465)**	**$ 489,147**
Balance as at January 31, 2023	**122,051,292**	**$ 6,256,524**	**$ 596,890**	**$ 1,026,143**	**$ 50,000**	**$ (8,082,946)**	**$ (153,389)**
Private placement of units	12,250,000	526,750	85,750	-	(50,000)	-	562,500
Private placement of units	10,510,000	704,240	346,760	-	-	-	1,051,000
Issuance of agent shares and warrants	1,051,000	(51,750)	51,750	-	-	-	-
Exercise of options	500,000	25,000	-	-	-	-	25,000
Share-based compensation	-	-	-	52,510	-	-	52,510
Warrants issued for services	-	-	42,990	-	-	-	42,990
Shares issued for services	1,485,000	145,150	-	-	-	-	145,150
Net loss for the period	-	-	-	-	-	(1,171,131)	(1,171,131)
Balance as at July 31, 2023	**147,847,292**	**$ 7,605,914**	**$ 1,124,140**	**$ 1,078,653**	**$ -**	**$ (9,254,077)**	**$ 554,630**

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

PREDICTMEDIX AI INC. (formerly Predictmedix Inc.)
Consolidated Statement of Cash Flows
(Unaudited- expressed in Canadian dollars)

		For the six months ended July 31, 2023		For the six months ended July 31, 2022
OPERATING ACTIVITIES				
Net income (loss)	$	**(1,171,131)**	$	**(684,276)**
Non-cash items included in net loss and other adjustments:				
Amortization		83,813		77,378
Share-based compensation		95,500		16,438
Shares issued for services		145,150		-
Interest		-		-
Changes in non-cash working capital:				
Sales tax receivable		(44,505)		176,443
Prepaid expenses		940		6,589
Accounts receivable		10,706		(22,140)
Due from related party		(97,500)		-
Accounts payable and accrued liabilities		(489,056)		323,500
Deferred revenue		-		(7,000)
CASH USED IN OPERATING ACTIVITIES		**(1,466,083)**		**(113,068)**
INVESTING ACTIVITIES				
Purchase of property and equipment		-		(49,648)
Purchase of intangible assets		-		(35,150)
CASH USED IN INVESTING ACTIVITIES		**-**		**(84,798)**
FINANCING ACTIVITIES				
Proceeds from issuance of units		1,613,500		-
Share subscriptions received		-		270,000
Repayment of promissory note		(37,870)		-
Proceeds from exercise of options		25,000		-
CASH PROVIDED BY FINANCING ACTIVITIES		**1,600,630**		**270,000**
NET CHANGE IN CASH DURING THE PERIOD		**134,547**		**72,134**
CASH, BEGINNING OF PERIOD		79,250		211,302
CASH, END OF PERIOD	$	**213,797**	$	**283,436**
Cash paid for interest	$	9,018	$	-
Cash paid for income taxes	$	**-**	$	-

The accompanying notes are an integral part of these interim condensed 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.

On July 13, 2023, the Company completed its name change from " Predictmedix Inc." to "Predictmedix AI Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is CUSIP 74040N106 (ISIN:CA74040N1069). The symbol remains the same.

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 condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. 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

These condensed interim consolidated financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended January 31, 2023, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). The unaudited condensed interim consolidated financial statements are based on accounting policies as described in the January 31, 2023 annual consolidated financial statements.

3. Basis of Presentation and Going Concern

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.

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 July 31, 2023, the Company had cash and cash equivalents of $213,797, current assets in excess of current liabilities of $58,188 and an accumulated deficit of $9,254,077. 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 interim 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.

Critical Judgements

The preparation of these interim consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

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

Significant Accounting Judgments and Estimates

Key Sources of Estimation Uncertainty

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 interim 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.

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, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. 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.

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.

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

Significant Accounting Judgments and Estimates (Cont'd)

Useful life of intangible assets

The intangible asset 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 life of the asset, the potential for technological obsolescence, and regulations.

Approval of the interim consolidated financial statements

These interim consolidated financial statements were authorized for issuance by the Board of Directors on September 29, 2023.

3. Significant Accounting Policies

The accounting policies set out in the consolidated financial statements at January 31, 2023, have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(in Canadian dollars)

4. Property and Equipment

		Equipment		Total
Cost				
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**
Additions		-		-
Balance as at July 31, 2023	**$**	**192,950**	**$**	**192,950**
Accumulated Depreciation				
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**
Depreciation		20,181		20,181
Balance as at July 31, 2023	**$**	**78,584**	**$**	**78,584**
Net Carrying Amounts				
As at July 31, 2023	**$**	**114,366**	**$**	**114,366**
As at January 31, 2023	**$**	**134,547**	**$**	**134,547**

(in Canadian dollars)

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 to be 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.

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.

(in Canadian dollars)

5. Intangible Assets (Cont'd)

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

		MWB		IDSS		Total
Cost						
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**
Additions		**-**		-		-
Balance at April 30, 2023	**$**	**138,561**	**$**	**492,668**	**$**	**631,229**
Accumulated amortization:						
Balance as at January 1, 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
Amortization		13,968		49,664		63,632
Balance as at July 31, 2023	$	60,666	$	188,487	$	249,153
Net Book Value						
Balance, July 31, 2023	**$**	**77,895**	**$**	**304,181**	**$**	**382,076**
Balance, January 31, 2023	**$**	**91,863**	**$**	**353,845**	**$**	**445,708**

(in Canadian dollars)

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.

Six months ended July 31, 2023

On March 28, 2023, the Company granted 600,000 options to consultants exercisable at $0.15 per share and expire on March 28, 2027. The Company expensed $52,510 related to the vesting of these 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		112%
Expected life		4 years
Unvested stock-based compensation expense as of July 31, 2023	$	-

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.

(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, 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**
Granted	600,000	$0.15
Exercised	(500,000)	$0.05
Cancelled	(2,000,000)	$0.05
Expired	(250,000)	$0.25
Outstanding July 31, 2023	**8,180,000**	**$0.06**

As at July 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	1.96	July 17, 2025
600,000	600,000	$0.15	3.65	March 28, 2027
7,500,000	7,500,000	$0.05	3.45	January 13, 2027
8,180,000	8,180,000	$0.06	3.45	

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 July 31, 2023, the Company has 147,847,292 common shares issued and outstanding.

(in Canadian dollars)

7. Capital Stock (Cont'd)

b) Share issuances

During the six- month period ended July 31, 2023

- On February 13, 2023, the Company closed a private placement of 12,250,000 units at $0.05 per unit for a consideration of $612,500. This includes the subscription for $50,000 received in the prior year. 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 6,125,000 warrants has been valued at $85,750 and common shares at $526,750.
- On February 23, 2023, 500,000 common shares were issued on exercise of 500,000 options at $0.05 per share for a total consideration of $25,000.
- On April 28, 2023, 335,000 common shares were fair valued at $30,150 and issued for services.
- On June 20, 2023, the Company closed a private placement of 10,510,000 units at $0.10 per unit for a consideration of $1,051,000. Each unit is comprised of one common share and one common share purchase warrant, with each whole warrant exercisable into a common share of the Company at an exercise price of $0.15 per share for a period of 24 months. In connection with this private placement the Company issued to the agent 1,051,000 common shares and 1,051,000 agent warrants, each warrant exercisable into a common share of the Company at an exercise price of $0.15 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: The valuation considered the following assumptions- Expected dividend yield of 0%; risk free interest rate of 5.0%; expected volatility of 109.57%; expected life of 2 years. The total proceeds were allocated as follows:

Total proceeds	$1,051,000
Allocated to share capital	$652,490
Allocated to warrant reserve-agent warrants	$51,750
Allocated to warrant reserve-common share purchase warrants	$346,760

- On July 17, 2023, 1,150,000 common shares were fair valued at $115,000 and issued for services.
- On July 17, 2023, the Company issued 750,000 warrants fair valued at $42,990 for services. Each whole warrant is 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 5.00%; expected volatility of 107.33%; expected life of 2 years.

(in Canadian dollars)

7. Capital Stock (Cont'd)

b) Share issuances (Cont'd)

During the year ended January 31, 2023

- 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.

c) Warrants

On July 17, 2023, the Company issued 750,000 warrants to a consultant exercisable at $0.10 per share and expire on July 17, 2025 for services. The Company expensed $42,990 related to these warrants. The fair value of each warrant 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		5.00%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		107%
Expected life		2 years
Unvested stock-based compensation expense as of July 31, 2023	$	-

(in Canadian dollars)

7. Capital Stock (Cont'd)

c) Warrants (Cont'd)

Continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
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**
Issued	6,125,000	$0.10
Issued	10,510,000	$0.15
Issued*	1,051,000	$0.15
Issued**	750,000	$0.10
Expired	(3,114,569)	$0.50
Outstanding, July 31, 2023	**23,386,000**	**$0.12**

*Agent warrant issued
**Warrants issued to a consultant for services

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

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
4,150,000	$0.10	1.06	August 22, 2024
800,000	$0.10	1.26	November 1, 2024
6,125,000	$0.10	1.54	February 13, 2025
11,561,000	$0.15	1.89	June 20, 2025
750,000	$0.10	1.96	July 17, 2025
23,386,000	$0.12	1.63	

(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:

		Six months ended July 31, 2023		Six months ended July 31, 2022
Management fees expensed to directors and officers including bonuses	$	184,230	$	134,240
Vehicle expense		18,000		18,000
Rent		12,000		12,000
	$	214,230	$	164,240

		Three months ended July 31, 2023		Three months ended July 31, 2022
Management fees expensed to directors and officers including bonuses	$	114,830	$	76,340
Vehicle expense		9,000		9,000
Rent		6,000		6,000
	$	129,830	$	91,340

During the six months ended July 31, 2023, the Company expensed $128,142 (July 31, 2022: $72,000) being marketing expenses to companies controlled by close family members of the CEO.

As of July 31, 2023, there was $nil due to related parties (July 31, 2022- $79,100).

As of July 31, 2023, an amount of $97,500 (July 31, 2022: $nil) was due from a Company related by common directors. This was subsequently repaid after July 31, 2023.

As of July 31, 2023, there was $12,995 advanced to the CEO to meet Company expenses (January 31, 2023: $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 six-month period ended July 31, 2023, there were no transfers between the level of fair value hierarchy. The carrying amounts of these financial instruments are approximately estimated to their fair value 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.

<u>Credit risk</u>

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 not exposed to credit risk during the period ended July 31, 2023.

<u>Liquidity risk</u>

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 months as of July 31, 2023 and January 31, 2023.

As at July 31, 2023, the Company had cash and cash equivalents of $213,797 (January 31, 2023: $79,250) to settle current liabilities of $ 344,198 (January 31, 2023: $871,124).

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 July 31, 2023 was $554,630. 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.

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 $45,900 (January 31, 2023: $53,374) which is located in India.

13. 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 expensed $9,018 as interest during the six months ended July 31, 2023. This loan was repaid as of July 31, 2023

14. Subsequent Events

The Company has evaluated the subsequent events up to September 29, 2023, the date of issue of the financial statements.