JOLT HEALTH INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

(Expressed in Canadian Dollars)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

JOLT HEALTH INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
(UNAUDITED)

AS AT	**Note**	**March 31, 2024**	**December 31, 2023**
		$	$
ASSETS			
Current			
Cash		273,787	2,059
Receivables		566	566
Prepaid expenses and deposits	3	26,509	12,700
Total		300,862	15,325
Non-Current			
Investments	5	366,497	357,101
Total assets		667,359	372,426
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	522,027	499,344
SHAREHOLDERS' EQUITY			
Share capital	10	12,856,772	12,622,272
Reserves	10	1,524,928	1,274,928
Deficit		(14,236,368)	(14,024,118)
Total shareholders' equity		145,332	(126,918)
Total liabilities and shareholders' equity		667,359	372,426

Nature and continuance of operations (Note 1)
Subsequent event (Note 17)

Approved on behalf of the Board of Directors on May 24, 2024:

"Gerald Tritt" Director *"Doug Taylor"* Director

JOLT HEALTH INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars
For the periods ended
(UNAUDITED)

	Note	Three Months Ended	
		March 31 2024	**March 31 2023**
		$	3
Expenses			
Accretion and interest - convertible debenture	9	-	8,900
Advertising and promotion		6,300	32,123
Consulting and management fees	12	172,960	45,910
Interest expense		-	900
Office and general		18,144	2,548
Professional fees		15,586	1,800
Share-based payments	10	-	191,000
Transfer agent and filing fees		8,639	5,664
Travel and entertainment		-	2,307
Total expenses		221,629	291,152
Foreign exchange		(9,379)	-
Fair value adjustment - derivative liability	9	-	(3,000)
Loss and comprehensive loss		(212,250)	(288,152)
Loss per share			
Basic and diluted		(0.00)	(0.01)
Weighted average number of common shares			
Basic and diluted		79,487,475	50,422,762

JOLT HEALTH INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Expressed in Canadian Dollars

(UNAUDITED)

	Number of Common Shares	Capital Stock	Reserves	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, December 31, 2022	50,422,763	12,235,260	1,210,928	(13,258,383)	187,805
Share-based payments	-	-	191,000	-	191,000
Loss and comprehensive loss for the period	-	-	-	(288,152)	(288,152)
Balance, March 31, 2023	50,422,763	12,235,260	1,401,928	(13,546,535)	90,653

Balance, December 31, 2023	77,289,673	12,622,272	1,274,928	(14,024,118)	(126,918)
Common shares issued for cash	50,000,000	250,000	250,000	-	500,000
Share issue costs - cash	-	(15,500)	-	-	(15,500)
Loss and comprehensive loss for the period	-	-	-	(212,250)	(212,250)
Balance, March 31, 2024	127,289,673	12,856,772	1,524,928	(14,236,368)	145,332

JOLT HEALTH INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
For the years ended

	March 31 2024	March 31 2024
	$	$
Operating activities		
Loss for the period	(212,250)	(288,152)
Adjusted for:		
Accrued interest	-	900
Accretion and interest - convertible debenture	-	8,900
Share-based payments	-	191,000
Unrealized foreign exchange	(9,396)	-
Fair value adjustment - derivative liability	-	(3,000)
Changes in non-cash working capital:		
Prepaid expenses and deposits	(13,809)	30,548
Accounts payable and accrued liabilities	22,683	21,827
Cash flows - operating activities	(212,772)	(37,977)
Financing activities		
Common shares issued for cash	500,000	-
Share issue costs	(15,500)	-
Cash flows - financing activities	484,500	-
Change in cash	271,728	(37,977)
Cash, beginning	2,059	41,608
Cash, end	273,787	3,631

Non-cash financing and investing activities	$	$
Warrants issued as finder fee	-	1,000
"Fair" value of unit warrants	250,000	-

Supplemental cash flow disclosure (Note 16)

1. NATURE AND CONTINUANCE OF OPERATIONS

Jolt Health Inc. ("Jolt" or the "Company") was incorporated under the Alberta Business Corporations Act on July 15, 1994, and is a publicly traded company listed on the Canadian Securities Exchange ("CSE") (trading symbol; JOLT). On May 4, 2023, the Company changed its name from Love Pharma Inc. to Jolt Health Inc. The Company is a licensee of certain technologies relating to certain controlled substances and pharmaceutical grade therapeutics. The Company's registered address is 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. The Company's head office address and principal place of business is 1780 -355 Burrard Street, Vancouver BC, V6C 2G8. The Company is investigating business opportunities in other industries however has not reached a definitive decision to pursue alternative lines of business.

On February 27, 2023, the Company consolidated its common shares on a 10:1 basis. All share and per share amounts in the consolidated financial statements have been retroactively restated to reflect the share consolidation.

These consolidated financial statements have been prepared on a going concern basis, in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive financial support from related parties, complete sufficient equity financings or generate profitable operations in the future. During the period ended March 31, 2024, the Company has incurred a net loss of $221,629 and has an accumulated deficit of $14,236,368.

The material uncertainty from these conditions may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business as a going concern.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation and statement of compliance

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), specifically International Accounting Standard ("IAS") 34 – Interim Financial Reporting. In addition, these consolidated interim financial statement have been prepared using interpretations issued by the IFRS Interpretations Committee ("IFRIC") in effect at March 31, 2024 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. They have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cashflow information. These condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars unless otherwise noted. The functional currency of the Company and its subsidiaries is the Canadian dollar.

Basis of consolidation

These consolidated financial statements include the Company and the Company's wholly owned subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the financial information of the Company and its wholly owned Canadian subsidiaries: Doc Hygiene Pharmaceuticals Inc. ("Doc Hygiene"), Kick Pharmaceutical Inc. ("Kick"), 1288339 BC Ltd. ("1288339 BC"), 2127774 Alberta Ltd. ("2127774 Alberta"), Nabilone Pharma Inc., Life Pharmaceuticals Company Inc., and LSB Life Sciences Biotech Inc.

Estimates, judgments and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes. Although these judgments, estimates and assumptions are based on management's best knowledge of the amount, event or actions, actual results may differ and these differences could be material.

i) <u>Impairment of intangible assets</u>

Intangible assets with indefinite useful lives are reviewed for impairment at each reporting period and intangible assets with finite useful lives are assessed for indicators of impairment on an annual basis. In the determination of impairment, management looks at the higher of value in use or fair value less costs of disposal. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

ii) <u>Share-based payments</u>

Management determines measurement for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using the Black Scholes option pricing model. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Estimates, judgments and assumptions (Continued)

iii) Business combinations versus asset acquisition

Management applied judgment with respect to whether the transactions with Microdoz Therapy Inc. and Doc Hygiene were considered to be asset acquisitions or business combinations. Management was required to assess the inputs, processes and outputs of the company acquired at the time of acquisition. Pursuant to those assessments, both of these acquisitions were determined to be asset acquisitions (Notes 4 and 11).

iv) Valuation of investments

Judgment is required in determining the fair value of investments where quoted prices are not available and where cost is an approximate estimate of fair value. Management uses judgment in interpreting IFRS as to what model and assumptions will be used to determine the valuation technique used to arrive at the fair valuation of these investments in accordance with IFRS. In the absence of reliable information, cost is determined to be an appropriate carrying value.

v) Convertible instruments

Convertible instruments are compound financial instruments which are accounted for separately by their components: a financial liability and a derivative liability. The identification of convertible note components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates, and the presence of any derivative financial instruments.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit with banks and short-term deposits with initial maturities of three months or less. The Company did not have any cash equivalents as at March 31, 2024 and December 31, 2023.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Net income (loss) per share

The Company follows the treasury stock method to determine the dilutive effect of stock options or other potentially dilutive instruments. Under this method, basic net income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted income per share is calculated on the basis of the weighted average number of common shares outstanding during the period plus the additional incremental common shares that would have been outstanding for any potentially dilutive stock options or other dilutive instruments using the treasury stock method. Diluted loss per share is equal to basic loss per share, as the effect of potentially dilutive stock options or other instruments would be anti-dilutive to the calculation.

Share capital

When units are issued, which include shares and warrants, the warrants are valued using the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the date of grant, and the balance, if any, is allocated to the warrants and included in reserves.

(i) Share issue costs

Share issue costs that are directly attributable to issuing new shares are deducted from equity.

Costs that are not incremental and directly attributable to issuing new shares, are recorded as an expense in profit or loss.

(ii) Equity instruments issued as consideration

The fair value of shares issued as purchase consideration is based upon the quoted trading price of those shares on the date of grant. Other equity instruments issued in non-cash transactions as purchase consideration are recorded at fair value determined by management using the Black-Scholes option pricing model.

Share-based compensation

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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 fair value of the share-based compensation. Otherwise, share-based payments are measured at the fair value of goods or services received.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Provisions and contingencies

A provision is recognized on the consolidated statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the rate of exchange in effect at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are recorded at rates of exchange in effect at the consolidated statement of financial position date and any resulting gains or losses are recorded in profit or loss for the period.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or they expire. Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

Financial assets

The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income ("FVTOCI") or through profit or loss ("FVTPL"); and those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income ("OCI").

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payments of principal and interest. Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. Cash and note receivable are classified in this category.

FVTOCI: Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest method. The Company has no assets classified in this category.

FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises. Investments are classified in this category. Certain investments in equity instruments are accounted for at cost, whereby cost is an appropriate estimate of fair value. In these cases, there is insufficient more recent information available to measure fair value, or there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Investments are classified in this category.

Financial liabilities

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. At present, the Company classifies accounts payable and accrued liabilities, loans payable, and convertible debentures as held at amortized cost. The Company classifies derivative liability as FVTPL.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any impairment losses. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of finite useful life intangibles is calculated on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, over the following terms:

Royalty and Product License Agreements – term of the agreement

The estimated useful lives, residual values and amortization methods are reviewed annually and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite useful life or not yet available for use are not subject to amortization.

Convertible debentures

The convertible debentures were determined to be compound instruments, comprising a financial liability (debt obligation) and a derivative liability (conversion option). The derivative liability (conversion option), which represents the fair value of the conversion feature, is initially measured at fair value and subsequently re-measured at each period end. The residual amount is accounted for as a debt instrument at issuance.

The convertible debentures, net of the derivative liability (conversion option), is accreted to the principal balance using the effective interest method over the term of the convertible debentures, such that the carrying amount of the debt obligation will equal the principal balance at maturity. Upon exercise of the convertible debentures, the derivative liability (conversion option) and the carrying value of debt obligation is reclassified to share capital. Transaction costs are allocated on a pro-rata basis between the financial liability (debt obligation) and the derivative liability (conversion option). Refer also to note 9.

Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized in profit or loss.

Expressed in Canadian Dollars

2. MATERIAL ACCOUNTING POLICIES (Continued)

New accounting standards and interpretations

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are expected to have a material impact on the Company's consolidated financial statements.

3. PREPAID EXPENSES AND DEPOSITS

	March 31, 2024	December 31, 2023
	$	$
Prepaid expenses	26,509	12,700

4. ACQUISITION AND DISPOSITION OF MICRODOZ THERAPY INC.

On May 13, 2022, the Company acquired 100% of the share capital in MicroDoz Therapy Inc. ("MicroDoz") by issuing 1,000,000 shares. MicroDoz is in the business of researching psilocybin-based therapies and the acquisition aligned with the Company's mandate to develop therapies in emerging fields. For accounting purposes, the acquisition of MicroDoz was considered an asset acquisition and accounted for using the acquisition method. The results of operations from MicroDoz are included in the consolidated financial statements from the acquisition date to the date of disposition (see below).

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Consideration	**$**
1,000,000 common shares with a fair value of $0.10 per share	100,000
Cash	32,500
	132,500
Net assets of Microdoz Therapy Inc.	
Intangible asset - research study	132,500
Total	132,500

During the year ended December 31, 2021, the Company loaned $32,500 (US$25,000) to Microdoz by way of a promissory note that bore 10% interest per annum and was due on demand. Upon the completion of the acquisition of MicroDoz the loan became an intercompany balance and is eliminated upon consolidation.

On December 13, 2022, the Company entered into an agreement to divest 100% of MicroDoz in consideration for a one-year non-interest bearing unsecured promissory note in the amount of $100,000. Pursuant to the divesture the Company recorded a loss on disposition of $32,500.

During the year ended December 31, 2023, the promissory note was not repaid and was in default status. In accordance with the December 13, 2022, agreement, the Company obtained 100% ownership of Microdoz due to the default of the promissory note. Refer also to note 6.

Expressed in Canadian Dollars

5. INVESTMENTS

The Company's investments are as follows:

	Starton Thearapeutics
	$
Balance, December 31, 2022	609,479
Foreign exchange	7,020
Impairment	(259,398)
Balance, December 31, 2023	357,101
Foreign exchange	9,396
Balance, March 31, 2024	366,497

Starton Therapeutics Inc.

During the year ended December 31, 2022, the Company acquired 145,161 shares of Starton Therapeutics Inc. ("Starton"), an arm's length private company for $584,999. As at December 31, 2022, in accordance with the guidance in IFRS 9 regarding when cost may be the best estimate of fair value, the investment in Starton was carried at cost. During the year ended December 31, 2023, the Company recognized an impairment expense of $259,398 in relation to the investment in Starton.

6. INTANGIBLE ASSETS

During the year ended December 31, 2022, in accordance with the acquisition of MicroDoz the Company disposed of a research study (Note 4). During the year ended December 31, 2023, the promissory note issued in connection with the sale of Microdoz was in default and therefore the Company reclaimed Microdoz and the research study. During the year ended December 31, 2023, the assessed the research study for impairment and determined the fair value as at year end was $Nil, and an impairment of $100,000 was recognized.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
	$	$
Accounts payable	484,527	461,844
Accrued liabilities	37,500	37,500
Total	522,027	499,344

Expressed in Canadian Dollars

8. LOANS PAYABLE

	December 31, 2023
	$
Opening balance	89,370
Accrued interest	2,383
Loan settled for shares	(91,753)
Closing balance	-

During the year ended December 31, 2021, the Company received unsecured loans totalling $205,500 from arm's-length third parties bearing interest at 5% repayable on December 31, 2022. During the year ended December 31, 2022, $140,500 was settled in shares and the remaining loan of $65,000 plus accrued interest of $24,370 (2021 - $18,177) remains payable. During the year ended December 31, 2023, the Company settled the remaining loan balance including accrued interest in exchange for 6,116,883 common shares of the Company (Note 10).

9. CONVERTIBLE DEBENTURE

	$
Balance, December 31, 2021	-
Convertible debenture issued	195,000
Derivative liability component	(148,000)
Interest and accretion expense	8,900
Balance, December 31, 2022	55,900
Interest and accretion expense	14,833
Converted to common shares	(70,733)
Balance, December 31, 2023	-

As consideration for the acquisition of Doc Hygiene (Note 11), the Company issued a $195,000 convertible debenture bearing annual interest of 10% maturing five years from the issue date (October 12, 2022). The debenture is convertible into common shares of the Company at a conversion price equal to the lessor of: (a) $0.50 per Common Share; and (b) the last closing price of the common shares on the Canadian Securities Exchange prior to the conversion of the promissory note subject to CSE approval.

As stated in the convertible debenture agreement, the conversion price will be adjusted if the market price of the Company's common shares is less than $0.50. The variability of the conversion price creates a derivative instrument which has been recognized as a financial liability. During the year ended December 31, 2023, the convertible debenture was converted into 13,765,763 common shares (Note 10).

Expressed in Canadian Dollars

10. CAPITAL STOCK

Authorized share capital - Unlimited number of common shares without par value.

Escrow shares: As at March 31, 2024, Nil (2023 – 116,469) common shares are held in escrow.

Issued share capital

During the period ended March 31, 2024, the Company issued the following shares:

i) Completed a non-brokered private placement of 50,000,000 units at a price of $0.01 per unit raising gross proceed of $500,000. Each unit consists of ne common share and one common share purchase warrant exercisable at a price of $0.05 per share for a period of 2 years from the date of closing. The warrants were valued at $250,000 using the residual value method. In connection with the financing the Company paid $15,500 in share issue costs.

During the year ended December 31, 2023, the Company issued the following shares:

i) Issued 13,765,763 common shares at a price of $0.015 per share upon the conversion of convertible debentures (Note 9).

ii) Issued 6,116,883 common shares at a price of $0.015 per share to settle outstanding loans of $91,753 (Note 8).

iii) Completed a non-brokered private placement of 6,984,265 units at a price of $0.0143 per unit raising gross proceed of $99,875. Each unit consists of one common share and one common share purchase warrant exercisable at a price of $0.05 per share for a period of 2 years from the date of closing. The warrants were valued at $Nil using the residual value method. In connection with the financing the Company paid $1,248 in finders fees and issued 87,500 broker warrants on the same terms as the unit warrants with a fair value of $1,000 using the Black-Scholes option pricing model.

Reserves

	Stock options	Warrants	Total
	$	$	$
Balance, December 31, 2022	846,520	364,408	1,210,928
Residual value of unit warrants	-	1,000	1,000
Share-based payments	63,000	-	63,000
Balance, December 31, 2023	846,520	365,408	1,274,928
Residual value of unit warrants	-	250,000	250,000
Balance, March 31, 2024	846,520	615,408	1,524,928

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

Stock Options

The Company has an incentive stock option plan (the "Plan") pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Company. The number of common shares granted under each option and the vesting terms thereof are at the discretion of the Board after discussion with management. Options granted under the Plan must have a term of no more than ten years from the date of grant. The exercise price of each option granted under the Plan is in the discretion of the Board, provided that the exercise price cannot be below the closing price of the common shares on the last trading day before the date of grant. The number of common shares that may be optioned under the Plan is limited to 10% of the outstanding common shares from time to time; provided, that any one participant under the Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants) of the outstanding common shares in any 12-month period.

Summary of stock option activity:

	Number of Options	Weighted Average Exercise Price $
Balance at December 31, 2022	3,700,000	0.50
Cancelled	(3,700,000)	0.50
Granted	5,035,000	0.05
Balance December 31, 2023 and March 31, 2024	5,035,000	0.05

The following table summarizes stock options outstanding at March 31, 2024:

Expiry date	Number of Options	Number of Exercisable Options	Weighted Average Exercise	Weighted Average Remaining Years
March 31, 2028	5,035,000	5,035,000	0.05	4.00

During the period ended March 31, 2024, the Company recorded share-based payments of $Nil (March 31, 2023 - $191,000) with respect to options granted. The weighted average fair value of these options was estimated using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair value are as follows:

	March 31, 2024	March 31, 2023
Exercise price	NA	$0.050
Market price	NA	$0.050
Risk-free interest rate	NA	3.34%
Expected life of options	NA	5
Expected forfeitures	NA	0%
Annualized volatility	NA	100%
Dividend rate	NA	0%
Weighted average fair value per option	NA	$0.04

Annualized volatility was derived from a sample of similar publicly traded companies.

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

Warrants

Summary of warrant activity:

	Number of Warrants	Weighted Average Exercise Price $
Balance at December 31, 2022	21,656,507	0.40
Issued	7,071,766	0.05
Expired	(3,128,013)	1.26
Balance at December 31, 2023	25,600,260	0.56
Issued	50,000,000	0.05
Expired	-	-
Balance at March 31, 2024	75,600,260	0.56

The following table summarizes warrants outstanding at March 31, 2024:

Expiry date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Years
April 5, 2024*	1,655,000	0.50	0.01
May 6, 2024*	59,000	0.50	0.10
May 6, 2024*	237,500	0.50	0.10
June 29, 2024	5,073,577	0.50	0.25
June 29, 2024	296,868	0.50	0.25
June 8, 2024	7,297,200	0.50	0.19
June 8, 2024	231,049	0.50	0.19
August 24, 2024	2,117,500	0.50	0.40
September 30, 2024	1,550,000	0.50	0.50
September 30, 2024	10,800	0.50	0.50
July 17, 2025	6,984,266	0.05	1.30
July 17, 2025	87,500	0.05	1.30
March 27, 2026	50,000,000	0.05	1.99
	75,600,260	0.56	1.50

*Expired unexercised subsequent to March 31, 2024.

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

Warrants (Continued)

During the period ended March 31, 2024, the Company granted Nil (Year ended December 31, 2023 – 87,500) broker warrants with a total fair value of $Nil (2023 - $1,000) using the Black-Scholes option pricing model using the following weighted average inputs:

	March 31, 2024	**December, 31 2023**
Exercise price	NA	$0.05
Market price	NA	$0.02
Risk-free interest rate	NA	5.75%
Expected life	NA	2
Annualized volatility	NA	100%
Dividend rate	NA	$0.00
Weighted average fair value per warrant	NA	$0.00

Annualized volatility was derived from a sample of similar publicly traded companies.

11. ACQUISITION OF DOC HYGIENE PHARMACEUTCALS INC.

On October 12, 2022, the Company acquired Doc Hygiene in exchange for the issuance of a $195,000 convertible debenture (Note 9) and cash of $224,875. Doc Hygiene is in the business of consumer sanitation products and the acquisition aligned with the Company's strategy to offer innovative consumer products direct to consumer.

For accounting purposes, the acquisition of Doc Hygiene was considered an asset acquisition. The results of operations from Doc Hygiene are included in the consolidated financial statements from the acquisition date.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Consideration	**$**
Issuance of convertible note	195,000
Cash	224,875
	419,875
Net assets of Doc Hygiene Pharmaceuticals Inc.	
Cash	273
Accounts payable	(6,304)
Intangible assets - brand, trademark, website	425,906
Total	419,875

During the year ended December 31, 2022, the Company recognized an impairment of the intangible assets.

Expressed in Canadian Dollars

12. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. The Company has identified the directors and senior officers as key management personnel.

Transactions with key management personnel were as follows:

	March 31, 2024	**March 31, 2023**
	$	$
Consulting fees - CEO & Director	18,900	-
Consulting fees - Former CEO and director	-	39,375
Consulting fees, directors	-	6,150
Total	18,900	45,525
Share-based payments - Officers and directors	-	70,220
Total	18,900	115,745

The amounts owing to key management personnel are as follows:

	March 31, 2024	**December 31, 2023**
	$	$
Accrued liabilities - Director and officer consulting	14,487	33,387

The amounts due to related parties are unsecured, non-interest bearing and are due on demand.

13. CAPITAL MANAGEMENT

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. In the management of capital, the Company includes the components of shareholders' equity in the amount of $145,332 (December 31, 2023 – deficiency of $126,918). The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. The Company's strategy for capital management did not change during the period ended March 31, 2024.

14. FINANCIAL INSTRUMENTS AND RISK

Fair value of financial instruments

The Company's financial instruments are comprised of cash, note receivable, investments, accounts payable and accrued liabilities, loans payable, convertible debenture, and derivative liability. The carrying values of the Company's cash, note receivable, accounts payable and accrued liabilities and loans payable approximate their respective fair values due to their short term to maturity.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.

- Level 2 reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 reflects valuation techniques with significant unobservable market inputs.

The Company's investment in Starton is classified as Level 3 and accounted for at cost as an appropriate estimate of fair value (Note 6). The Company's derivative liability was accounted for as FVTPL and classified was classified as Level 2.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2024, the Company believes it has no significant credit risk associated with cash. The Company is satisfied with the credit ratings of its bank. The Company's exposure to credit risk is the carrying value of the respective financial assets. The Company's management of credit risk has not changed materially from that of the year ended December 31, 2023.

14. FINANCIAL INSTRUMENTS AND RISK (Continued)

Liquidity risk

Liquidity risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company had a cash balance of $273,787 (December 31, 2023 - $2,059) to settle accounts payable and accrued liabilities of $522,027 (December 31, 2023 - $499,344). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short-term business requirements. The Company's management of liquidity risk has not changed materially from that of the year ended December 31, 2023. The Company's accounts payables have contractual maturities of 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company's management of market risks has not changed materially from that of the year ended December 31, 2023.

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 believes it has no significant interest rate risk as cash balances are held in accounts which earn nominal interest and note receivable, loans payable, and convertible debenture have fixed rates of interest.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2024, the Company was not exposed to any significant currency risk.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest rates and foreign currency rates), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material other price risk at March 31, 2024.

15. SEGMENTED INFORMATION

The Company has one operating segment, being the licensee of technologies relating to certain controlled substances and therapeutic delivery methods in Canada, the Netherlands, Europe (excluding Poland), and Jamaica.

Expressed in Canadian Dollars

16. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing activities	**$**	**$**
Warrants issued as finder fee	-	1,000
"Fair" value of unit warrants	250,000	-

There was no cash paid or received for interest or taxes, for the years ended December 31, 2023, and 2022.

17. SUBSEQUENT EVENT

Subsequent to March 31, 2024, the Company:

a) On May 6, 2024, the Company announced the acquisition of intellectual property for the development of transdermal deliver of chloroquine and hydroxychloroquine. The Company has agreed, subject to CSE approval, to pay $3,000,000 to be satisfied by the issuance of 300,000,000 common shares at a deemed price of $0.01 per share. 200,000,000 shares will be issued on closing, and the balance of 25,000,000 upon FDA approval and the final 75,000,000 on completion of a successful clinical trial. The vendor has retained a 3% gross sales royalty, which can be purchased for $500,000.