
**AI/ML INNOVATIONS INC. (FORMERLY AIML
RESOURCES INC. AND FIREBIRD RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
OCTOBER 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at October 31, 2020	As at April 30, 2020
ASSETS		
Current assets		
Cash	\$ 133,391	\$ 137,750
Marketable securities (note 3)	71,667	39,417
Amounts receivable	4,943	1,941
Prepaid expenses	6,200	-
Total current assets	216,201	179,108
Non-current assets		
Exploration and evaluation asset (note 4)	168,415	140,759
Total assets	\$ 384,616	\$ 319,867
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 978,912	\$ 938,583
Notes payable (note 6)	422,000	422,000
Due to a related party (note 7)	744,820	780,820
Total liabilities	2,145,732	2,141,403
Shareholders' deficit		
Share capital (note 8)	19,786,742	19,710,010
Shares to be issued	86,750	-
Share-based payment reserve (note 9)	3,017,731	3,038,063
Equity portion of convertible debt	231,092	231,092
Deficit	(24,883,431)	(24,800,701)
Total Shareholders' deficit	(1,761,116)	(1,821,536)
Total Shareholders' deficit and liabilities	\$ 384,616	\$ 319,867

Nature of operations and going concern (note 1)

Subsequent event (note 12)

Approved on behalf of the Board:

(Signed) "Tom Tough" _____ Director

(Signed) "John Cook" _____ Director

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

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended October 31, 2020	Three Months Ended October 31, 2019	Six Months Ended October 31, 2020	Six Months Ended October 31, 2019
Operating expenses				
General and administrative (note 7)	\$ 13,670	\$ 5,164	\$ 25,900	\$ 8,299
Management fees (note 7)	19,050	18,000	37,050	36,000
Professional fees	16,241	1,372	29,082	5,015
Total operating expenses	48,961	24,536	92,032	49,314
Loss before onther income (expense)	\$ (48,961)	\$ (24,536)	\$ (92,032)	\$ (49,314)
Other income (expense)				
Interest expense	(9,375)	(9,894)	(18,750)	(19,270)
Interest income	-	413	-	826
Unrealized gain on marketable securities (note 3)	7,167	17,916	32,250	7,166
Foreign exchange	(2,705)	(642)	(4,198)	(17,468)
Total other income (expense)	(4,913)	7,793	9,302	(28,746)
Net loss and comprehensive loss for the period	\$ (53,874)	\$ (16,743)	\$ (82,730)	\$ (78,060)
Basic and diluted net loss per share (note 11)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	11,350,330	8,101,026	11,142,728	8,101,026

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

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Condensed Interim Consolidated Statements of Changes in Deficit

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Shares to be issued	Share-based payments reserve	Equity	Deficit	Total
	Number of shares	Amount			component of convertible debt		
Balance, April 30, 2019	8,101,026	\$ 19,524,482	\$ -	\$ 2,894,941	\$ 231,092	\$(24,585,193)	\$ (1,934,678)
Net loss for the period	-	-	-	-	-	(78,060)	(78,060)
Balance, October 31, 2019	8,101,026	\$ 19,524,482	\$ -	\$ 2,894,941	\$ 231,092	\$(24,663,253)	\$ (2,012,738)
Balance, April 30, 2020	11,101,126	\$ 19,710,010	\$ -	\$ 3,038,063	\$ 231,092	\$(24,800,701)	\$ (1,821,536)
Shares to be issued	-	-	86,750	-	-	-	86,750
Warrants exercised	376,000	76,732	-	(20,332)	-	-	56,400
Net loss for the period	-	-	-	-	-	(82,730)	(82,730)
Balance, October 31, 2020	11,477,126	\$ 19,786,742	\$ 86,750	\$ 3,017,731	\$ 231,092	\$(24,883,431)	\$ (1,761,116)

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

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Six Months Ended October 31, 2020	Six Months Ended October 31, 2019
Operating activities		
Net loss for the period	\$ (82,730)	\$ (78,060)
Items not involving cash:		
Unrealized gain on marketable securities	(32,250)	(7,166)
Changes in non-cash working capital items:		
Amounts receivable	(3,002)	(1,212)
Prepaid expenses	(6,200)	-
Amounts payable and other liabilities	40,329	37,397
Due to related parties	(36,000)	47,000
Net cash used in operating activities	(119,853)	(2,041)
Investing activities		
Exploration and evaluation expenditure	(27,656)	(27,802)
Net cash used in investing activities	(27,656)	(27,802)
Financing activities		
Proceeds from loans	-	27,675
Proceeds from subscription funds received	86,750	-
Proceeds from exercise of warrants	56,400	-
Net cash provided by financing activities	143,150	27,675
Net change in cash	(4,359)	(2,168)
Cash, beginning of period	137,750	3,815
Cash, end of period	\$ 133,391	\$ 1,647

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

**Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2020
(Expressed in Canadian Dollars)
Unaudited**

1. Nature of operations and going concern

AI/ML Innovations Inc. (formerly AIML Resources Inc. formerly Firebird Resources Inc.) (the “Company”) was incorporated under the British Columbia Business Corporations Act and having its registered office at Suite 1000, 925 West Georgia Street, Vancouver, BC V6C 3L2. Subsequent to the period ended October 31, 2020, the Company:

- changed its name on November 6, 2020 from its former name AIML Resources Inc.
- voluntarily delisting from the TSX Venture Exchange and listed on the Canadian Securities Exchange (CSE).

On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. (“Salu”), which is a private technology company based in Edmonton, Alberta. The holds the rights to intellectual property in the area of wearable technologies, and the application and methods associated with the applied AI/ML (artificial intelligence/machine learning) software using accelerometers, ECG (electrocardiogram), PPG (photoplethysmogram – used to measure blood volume changes in tissue), and other forms of physiological sensors to measure heart rate, heart rate variability, pulse oximetry, pulse wave velocity, pulse transit time, blood pressure, and activity. Health Gauge’s intellectual property also includes proprietary methods and IP relating to behavioural tagging for the purposes of psychometric analysis.

On March 11, 2020, the World Health Organization declared coronavirus COVID19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2020, the Company has not generated any revenues from operations, has an accumulated deficit of \$24,883,431 and has a working capital deficit of \$1,929,531. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

**Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2020
(Expressed in Canadian Dollars)
Unaudited**

2. Significant accounting policies

Statement of compliance and basis of presentation

The Company applies 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"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. 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.

These unaudited condensed interim consolidated financial statements were prepared using the the same accounting policies and methods as those used in the annual consolidated financial statements for the year ended April 30, 2020. These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on December 31, 2020.

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of these condensed unaudited condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of loan receivable, impairment of marketable securities, recoverability of exploration and evaluation assets, fair value of share-based payments, and the measurement of unrecognized deferred income tax assets.

Judgments made by management include the factors used to determine the collectability of the loan receivable and the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

New accounting standards and interpretations not adopted yet

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after October 31, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations. following have not yet been adopted and are being evaluated to determine their impact on the Company.

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements
 Three and Six Months Ended October 31, 2020
 (Expressed in Canadian Dollars)
 Unaudited

3. Marketable securities

On May 20, 2016, the Company received 716,667 common shares of Pancontinental Gold Corporation with a fair value of \$53,750 as part of the consideration for the sale of the Jefferson Property. The common shares are held-for-trading and as of October 31, 2020, the fair value of the common shares was \$71,667 (April 30, 2020 - \$39,417). During the six months ended October 31, 2020, the Company recorded an unrealized gain of \$32,250 (six months ended October 31, 2019 – \$7,166) which has been recorded in the unaudited condensed interim consolidated statements of operations.

4. Exploration and evaluation assets

The Company's exploration and evaluation assets consist of the following:

	Mountain of Gold Property	Buzzard Property	Total
<u>Acquisition Costs</u>			
Balance, April 30, 2019	\$ 800	\$ 72,366	\$ 73,166
Advance royalty payments	-	19,802	19,802
Balance, October 31, 2019	800	92,168	92,968
<u>Exploration Costs</u>			
Balance, April 30, 2019	\$ 2,224	\$ 40,590	\$ 42,814
Engineering and geological fees	-	8,000	8,000
Balance, October 31, 2019	2,224	48,590	50,814
Balance, October 31, 2019	\$ 3,024	\$ 140,758	\$ 143,782
<u>Acquisition Costs</u>			
Balance, April 30, 2020		\$ 92,169	\$ 92,169
Advance royalty payment		19,746	19,746
Balance, October 31, 2020		111,915	111,915
<u>Exploration Costs</u>			
Balance, April 30, 2020		\$ 48,590	\$ 48,590
Field expenditures		7,910	7,910
Balance, April 30, 2020		56,500	56,500
Balance, October 31, 2020		\$ 168,415	\$ 168,415

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2020
(Expressed in Canadian Dollars)
Unaudited

4. Exploration and evaluation assets (continued)

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

- (i) issue 50,000 common shares on regulatory approval of the agreement;
- (ii) issue 50,000 common shares by May 4, 2006; and
- (iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for \$1,000,000.

During the year ended April 30, 2020, the Company recorded an impairment as it no longer continues to pursue the property.

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

- (i) pay US\$3,000 per year for each of the third and fourth years of the lease (paid);
- (ii) pay US\$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
- (iii) pay US\$5,000 per year for each of the eighth and ninth years of the lease (paid);
- (iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US\$15,000 per year (paid); and
- (v) production royalty of 3.5% of the gross returns on any mining production.

5. Accounts payable and accrued liabilities

	October 31, 2020	April 30, 2020
Trade payables	\$ 657,362	\$ 636,833
Accrued liabilities	11,500	10,450
Interest payable (note 6)	310,050	291,300
Total accounts payable and accrued liabilities	\$ 978,912	\$ 938,583

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2020

(Expressed in Canadian Dollars)

Unaudited

6. Notes payable

- (a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of \$255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at \$0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at \$0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of \$16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was \$23,908 and the amount attributable to the conversion option and warrants was \$231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at October 31, 2020, the carrying value of the note payable is \$255,000 (April 30, 2020 - \$255,000) and has accrued interest of \$238,228 (April 30, 2020 - \$225,374).

- (b) As at October 31, 2020, the Company owed \$167,000 (April 30, 2020 - \$167,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand.

7. Related party transactions

- (a) The Company entered into the following transactions with related parties:

i) During the three and six months ended October 31, 2020, the Company incurred management fees of \$18,000 and \$36,000, respectively, (three and six months ended October 31, 2019 - \$18,000 and \$36,000, respectively), and rent of \$1,500 and \$3,000, respectively, (three and six months ended October 31, 2019 - \$1,500 and \$3,000, respectively), to a company controlled by the Chief Executive Officer of the Company.

ii) For the three and six months ended October 31, 2020, the Company expensed \$4,044 and \$5,312, respectively (three and six months ended October 31, 2019 - \$3,282 and \$4,674, respectively) to Marrelli Support for the services of Vic Hugo to act as Chief Financial Officer of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Vic Hugo is an employee of Marrelli Support. As at October 31, 2020, Marrelli Support was owed \$1,516 (April 30, 2020 - \$455) and this amount was included in accounts payable and accrued liabilities.

- (b) Related party balances

As at October 31, 2020, the Company owed \$734,650 (April 30, 2020 - \$770,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing was unsecured, non-interest bearing, and due on demand. Subsequent to the period, the Company agreed to a repayable date of December 31, 2022 and an interest of 5% from November 1, 2020.

As at October 31, 2020, the Company owed \$10,170 (April 30, 2020 - \$10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements
 Three and Six Months Ended October 31, 2020
 (Expressed in Canadian Dollars)
 Unaudited

8. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

9. Stock options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

As at October 31, 2019, April 30, 2020 and October 31, 2020, the Company does not have any issued and outstanding stock options.

10. Warrants

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2019 and October 31, 2019	-	\$ -
Balance, April 30, 2020	3,135,000	\$ 0.16
Expired	(135,000)	(0.35)
Exercised	(376,000)	(0.15)
Balance, October 31, 2020	2,624,000	\$ 0.15

The following table reflects the actual warrants issued as of October 31, 2020:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date	Remaining contract life (years)
2,624,000	141,891	0.15 ⁽¹⁾	February 14, 2022	1.30
2,624,000	141,891	0.15		1.30

(1) Exercisable into one common share at \$0.15 until February 18, 2021 and thereafter at \$0.20 until February 18, 2022

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2020

(Expressed in Canadian Dollars)

Unaudited

11. Loss per share

For the three and six months ended October 31, 2020, basic and diluted loss and income per share has been calculated based on the loss attributable to common shareholders of \$53,874 and \$82,730, respectively (three and six months ended October 31, 2019 - \$16,743 and \$78,060, respectively) and the weighted average number of common shares outstanding of 11,350,330 and 11,142,728, respectively (three and six months ended October 31, 2019 - 8,101,026 and 8,101,026, respectively). Diluted loss per share did not include the effect of warrants as they are anti-dilutive.

12. Subsequent event

- a) Subsequent to the period ended October 31, 2020, the Company listed on the CSE. See filing document dated December 30, 2020.