AI/ML INNOVATIONS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of AI/ML INNOVATIONS INC. (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.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		As at July 31, 2023		As at April 30, 2023
ASSETS				
Current assets				
Cash	$	**554,443**	$	4,530
Marketable securities (Note 5)		**9,675**		10,033
Commodity tax recoverable		**11,067**		17,628
Accounts receivable (Note 11)		**115,910**		97,512
Prepaid expenses (Note 6)		**80,245**		94,333
Inventory		**3,317**		3,317
Total current assets		**774,657**		227,353
Non-current assets				
Right of use assets (Note 9)		**31,539**		42,052
Investment in associate (Note 4)		**1,540,841**		1,238,520
Total assets	$	**2,347,037**	$	1,507,925
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	$	**467,968**	$	716,034
Notes payable (Note 10)		**154,500**		157,000
Due to related parties (Note 11)		**845,088**		852,346
Loans payable (Note 8)		**12,220**		12,220
Lease liabilities (Note 9)		**38,884**		50,612
Total liabilities		**1,518,660**		1,788,212
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 12)		**27,212,635**		25,794,801
Reserves (Notes 12, 13 and 14)		**5,596,845**		5,697,185
Deficit		**(31,914,886)**		(31,739,445)
(Deficiency) equity attributable to the shareholders of the Company		**894,594**		(247,459)
Non-controlling interest (Note 3)		**(66,217)**		(32,828)
Total (deficiency) equity		**828,377**		(280,287)
Total shareholders' equity and liabilities	$	**2,347,037**	$	1,507,925

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on September 25, 2023:

(Signed) "Tim Daniels" Director (Signed) "Nick Watters" Director

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

AI/ML INNOVATIONS INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
Revenue		
Goods	**$ 10**	$ 26,330
License fee (Note 11)	**39,855**	-
Services (Note 11)	**132,812**	36,750
Cost of goods sold and discounts	**(106)**	-
	172,571	63,080
Operating expenses		
Advertising and promotion	**64,674**	127,117
Consulting	**66,153**	115,363
Depreciation (Note 9)	**10,513**	10,513
General and administrative	**58,638**	53,806
Management fees (Note 11)	**34,500**	30,000
Professional and transaction fees (Note 11)	**70,827**	57,803
Research and development (Note 17)	**62,158**	45,467
Salaries and benefits (Note 11)	**125,531**	79,963
Share-based payments (Notes 11 and 13)	**-**	8,492
Total operating expenses	**(492,994)**	(528,524)
Other income (expense)		
Foreign exchange gain (loss)	**(2,638)**	2,594
Gain on settlement of debt	**-**	3,603
Interest expense (Notes 9, 10 and 11)	**(15,902)**	(15,464)
Correction of accounts payable (Note 7)	**(5,250)**	-
Share of loss on equity investment (Note 4)	**(23,659)**	(18,712)
Unrealized loss on marketable securities (Note 5)	**(358)**	(25,084)
Total other expense	**(47,807)**	(53,063)
Net loss and comprehensive loss for the period	**$ (368,230)**	$ (518,507)
Net loss and comprehensive loss for the period attributed to:		
Shareholders of the Company	**$ (334,841)**	$ (492,410)
Non-controlling interest	**(33,389)**	(26,097)
	$ (368,230)	$ (518,507)
Basic and diluted net loss per share	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	50,698,008	30,586,669

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

AI/ML INNOVATIONS INC.

Condensed Interim Consolidated Statements of Changes in Equity (Deficit)
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share capital							
	Number of shares	**Amount**	**Subscriptions receivable**	**Reserves**	**Deficit**	**Total attributed to shareholders of the Company**	**Non-controlling interest**	**Total**
Balance, April 30, 2022	**34,930,270**	**$ 25,278,619**	**$ (25,000)**	**$ 6,530,131**	**$ (30,699,872)**	**$ 1,083,878**	**$ (595,081)**	**$ 488,797**
Share-based payments	-	-	-	8,492	-	8,492	-	8,492
Net loss and comprehensive loss	-	-	-	-	(492,409)	(492,409)	(26,097)	(518,506)
Balance, July 31, 2022	**34,930,270**	**25,278,619**	**(25,000)**	**6,538,623**	**(31,192,281)**	**599,961**	**(621,178)**	**(21,217)**
Additional interest purchased in Health Gauge Inc.	-	-	-	(598,624)	-	(598,624)	598,624	-
Private placement units	4,867,748	183,098	-	108,967	-	292,065	-	292,065
Share issuance costs	-	(9,807)	-	-	-	(9,807)	-	(9,807)
Warrants exercised	1,845,000	187,578	-	(49,203)	-	138,375	-	138,375
Shares issued for AI/RX Inc.	1,762,500	79,313	-	-	-	79,313	33,991	113,304
Share-based payments	-	-	-	80,115	-	80,115	-	80,115
Shares issued for services	800,000	76,000	-	-	-	76,000	-	76,000
Options expired/cancelled	-	-	-	(382,693)	382,693	-	-	-
Impairment of receivable	-	-	25,000	-	-	25,000	-	25,000
Net loss and comprehensive loss	-	-	-	-	(929,857)	(929,857)	(44,265)	(974,122)
Balance, April 30, 2023	**44,205,518**	**25,794,801**	**-**	**5,697,185**	**(31,739,445)**	**(247,459)**	**(32,828)**	**(280,287)**
Private placement units	17,941,879	1,454,634	-	-	-	1,454,634	-	1,454,634
Share issuance costs	-	(114,300)	-	59,060	-	(55,240)	-	(55,240)
Warrants exercised	775,000	77,500	-	-	-	77,500	-	77,500
Options expired/cancelled	-	-	-	(159,400)	159,400	-	-	-
Net loss and comprehensive loss	-	-	-	-	(334,841)	(334,841)	(33,389)	(368,230)
Balance, July 31, 2023	**62,922,397**	**$ 27,212,635**	**$ -**	**$ 5,596,845**	**$ (31,914,886)**	**$ 894,594**	**$ (66,217)**	**$ 828,377**

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

AI/ML INNOVATIONS INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

Three months ended July 31,		2023		2022
Operating activities				
Net loss for the period	**$**	**(368,230)**	$	(518,507)
Items not involving cash:				
Interest expense		**10,405**		15,464
Depreciation		**10,513**		10,513
Share of loss on equity investment		**23,659**		18,712
Share-based payments		**-**		8,492
Correction of accounts payable		**5,250**		-
Unrealized foreign exchange		**-**		(2,594)
Unrealized loss on marketable securities		**358**		25,084
Gain on settlement of trade payables		**-**		(3,603)
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities		**(253,316)**		116,422
Due to related parties		**(15,326)**		(2,949)
Receivables (commodity tax recoverable and accounts receivable)		**(11,837)**		(117)
Inventory		**-**		216
Prepaid expenses		**14,088**		125,215
Net cash used in operating activities		**(584,436)**		(207,652)
Investing activity				
Investment in Tech2Heal		**(325,980)**		(136,420)
Net cash used in investing activity		**(325,980)**		(136,420)
Financing activities				
Loan repayment		**(2,500)**		-
Payment of lease liabilities		**(14,065)**		(14,065)
Proceeds from exercise of warrants		**77,500**		-
Proceeds from private placement		**1,454,634**		-
Share issuance costs		**(55,240)**		-
Net cash provided by financing activities		**1,460,329**		(14,065)
Net change in cash		**549,913**		(358,137)
Cash, beginning of period		**4,530**		475,071
Cash, end of period	**$**	**554,443**	$	116,934
Supplemental Information:				
Fair value of options exercised /cancelled	**$**	**159,400**	$	-
Fair value of broker's warrants		**59,060**		-

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

1. Nature of Operations and Going Concern

AI/ML Innovations Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act and having its registered and records office at 850 – 2nd Street SW, 15th Floor, Bankers Court, Calgary, Alberta, T2P 0R8 and head office at Suite 203, 645 Fort Street, Victoria, BC, V8W 1G2.

In December 2020, the Company completed the share purchase agreement with Health Gauge Inc. (formerly Salu Design Group Inc.) ("Health Gauge"), which is a private technology company based in Edmonton, Alberta. Health Gauge 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 behavioral tagging for the purposes of psychometric analysis.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete additional equity financing, and generate profitable operations in the future. Management believes it will be successful in raising the necessary funding to continue operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

The Company incurred a net loss and comprehensive loss of $368,230 during the period ended July 31, 2023 (2022 - $518,507) and incurred negative operating cash flows of $584,436 (2022 - $207,652). As at July 31, 2023, the Company had an accumulated deficit of $31,914,886 (April 30, 2023 - $31,739,445).

There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. Such adjustments could be material.

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 IFRS Interpretations Committee ("IFRICs"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value, and on an accrual basis except for cash flow information, and are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

Basis of Consolidation

The condensed interim consolidated financial statements include the financial statements of AI/ML Innovations Inc. and its subsidiaries, Health Gauge Inc (formerly Salu Design Group Inc.) and AI RX Inc. (from the date of acquisition on November 15, 2022). The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. Control exists when an entity is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. All intercompany balances and transactions have been eliminated.

Name of Subsidiary	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			July 31, 2023	April 30, 2023
Health Gauge Inc. (formerly Salu Design Group Inc.)	Canada	Digital health software and wearable technologies	98.56%	98.56%
AI RX Inc.	Canada	Holding company	70%	70%

Estimates and Judgments

The preparation of these condensed interim 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 condensed interim 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 from those estimates and these differences could be material.

Judgments

i) <u>Significant influence</u>
Management applied judgment with respect it has significant influence over Tech2Heal SAS. Pursuant to the assessment it was determined that the Company has significant influence by way of a common director and officer (Note 4).

ii) <u>Carrying values for non-financial assets and impairment charges</u>
In the determination of carrying values and impairment charges, management looks at the higher of value in use or fair value less costs of disposal in the case of non-financial assets and at external and internal sources of information that may indicate impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

iii) <u>Asset acquisition versus business combination</u>
Management applied judgment with respect to whether the transaction with Health Gauge was considered an asset acquisition or business combination. Management assessed the inputs, processes and outputs of the company acquired at the time of acquisition. Pursuant to the assessment, the transaction was considered to be a business combination (Note 3).

2. Significant Accounting Policies (continued)

Estimates and Judgments (continued)

Estimates

i) Share-based payments
Management determines costs 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 generally accepted valuation techniques. 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 and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

ii) Performance warrants
The Company recognizes the fair value of performance warrants using the Black-Scholes option pricing model at the date of grant and applies an estimated percentage of the likelihood of the completion of the performance event.

Cash

Cash is comprised of cash on deposit with major banks in Canada.

Foreign Currency Translation

The functional currency for the Company and each subsidiary is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the period end date exchange rates. Income and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Inventory

Inventories are valued at the lower of cost or net realizable value. Costs comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on using the first-in first-out method.

2. Significant Accounting Policies (continued)

Government Grants

Government grants are recognized when there is a reasonable assurance that the grant will be received, and all conditions associated with the grant are met.

Forgivable Loans

A forgivable loan from the government is treated as government assistance when there is reasonable assurance that the Company will meet the terms for forgiveness of the loan. The government assistance is presented in profit or loss as other income. If there is no reasonable assurance that the Company will meet the terms for forgiveness of the loan, the loan is recognized as a liability in accordance with IFRS 9 Financial Instruments. The liability would become a government grant (forgivable loan) when there is reasonable assurance that the Company will meet the terms for forgiveness. Refer to Note 10.

Research and Development and Investment Tax Credits

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed except in cases where development costs meet certain identifiable criteria for deferral. The Company has not capitalized any such development costs to date. Related refundable investment tax credits are recorded as a reduction of the related research and development expense when the Company has reasonable assurance that the credit will be realized.

Business Combination

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree or assumed and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Call Option over Non-Controlling Interest

As part of the business acquisition agreement with Health Gauge Inc., the Company had an option to acquire the remaining outstanding shares from non-controlling shareholders. The call option did not give the Company present access to returns associated with the ownership interest in the shares subject to the call. Accordingly, the call option was accounted for in accordance with IFRS 9. The Company determined that the call option met the definition of an equity instrument, and as a result, the initial fair value was recognized in equity and not subsequently remeasured. If the call option was exercised, the initial fair value would have been included as part of the consideration paid for the acquisition of the non-controlling interest. If the call option had lapsed, unexercised, there would have been no adjustment required within equity.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses and is not subject to amortization. Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. Goodwill is allocated to a cash generating unit ("CGU"), or group of CGUs, which is the lowest level within an entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Impairment is tested by comparing the recoverable amount of goodwill assigned to a CGU or group of CGUs to its carrying value.

2. Significant Accounting Policies (continued)

Impairment of Non-Financial Assets

At the end of each reporting period 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. The 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 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 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 the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right of use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures the right of use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability Right of use assets are depreciated over the shorter of the asset's useful life or the lease term, except where the lease contains a bargain purchase option a right of use asset is depreciated over the asset's useful life.

2. Significant Accounting Policies (continued)

Financial Instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss (“FVTPL”). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income (“FVTOCI”).

FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the profit or loss in the period in which they arise. Derivatives are categorized as FVTPL unless they are designated as hedges.

FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of cumulative fair value gains to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method, less any impairment. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset, or where appropriate, a shorter period.

The following table shows the classification and measurement of the Company’s financial instruments:

Financial assets/liabilities	Classification and measurement
Cash	Fair value through profit or loss
Marketable securities	Fair value through profit or loss
Subscriptions receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability.

2. Significant Accounting Policies (continued)

Impairment of financial assets at amortized cost

The Company utilizes the expected credit losses ("ECL") model on a forward-looking basis on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVTOCI.

At each reporting date, the Company measures the ECL for the financial asset at an amount equal to the lifetime ECL if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to the twelve month ECL. The Company applies the simplified method and measures a loss allowance equal to the lifetime ECL for trade receivables.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was $25,000 as at April 30, 2023 and $Nil as at July 31, 2023.

Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognized when the contractual right to the asset's cash flows expire; or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Revenue recognition

The Company recognizes revenue in accordance with IFRS 15 – Revenue from Contracts with Customers. Revenue represents the fair value of consideration received or receivable from customers for the transfer of control of goods or services by the Company, net of discounts and sales taxes. The Company generates revenue from goods, services and licensing technology. Revenue is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured.

For each contract with a customer, the Company applies the following five step model:
1. Identify the contract with a customer;
2. Identify the performance obligation in the contract;
3. Determine the transaction price which takes into account estimates of variable consideration and the time value of money;
4. Allocate the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
5. Recognize revenue when the performance obligation is satisfied and in a manner that depicts the transfer of the goods or services promised to the customer.

Services income is recognized over time when the services have been provided and control of the deliverable has been transferred to the customer. Payments received prior to the transfer of control of the deliverable are recorded as deferred revenue and recognized as the related services are provided. Management estimates the pace of revenue recognition based on contract milestones. The Company's arrangements with customers are evidenced by contracts with customers. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the service is distinct from some or all of the other services in the arrangement. A service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct services are combined with other services until they are distinct as a bundle and therefore form a single performance obligation. The Company earns revenues from the provision of consulting services that include one distinct performance obligation. The customer is simultaneously receiving and consuming the economic benefits arising from the Company's performance and the right to payment for work performed to date plus a reasonable profit to deliver services that do not have an alternative use to the Company. Based on the nature of these contractual arrangements, control is transferred over time and revenue is recognized over time.

The performance obligation is satisfied over time, the Company will recognize revenue by measuring progress toward complete satisfaction of that performance obligation. Revenue from fixed billing rate and cost reimbursable contracts is recognized using the input method with reference to costs incurred.

2. Significant Accounting Policies (continued)

Revenue recognition (continued)

Licensing income is recorded in deferred revenue upon invoicing and is recognized ratably over the contract term, and begins when the customer has the right-to-use and access to the software. Revenue from usage-based fees is recognized in the period in which the customer incurs the usage, at a point in time.

Goods income is recognized when control of the product has been transferred to the customer.

Loss Per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute diluted loss per share, whereby the dilutive effect of options, warrants and similar instruments are added to the weighted average number of common shares outstanding during the year. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior fiscal year this calculation proved to be anti-dilutive.

Share-Based Payments

The Company grants 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 in share-based payment reserve over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. When vested options are cancelled, forfeited, or are not exercised by the expiry date, the amount previously recognized in reserves is reclassified to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

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

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share Capital and Reserves

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering financing using the relative fair value method. Under this method, the fair values of the shares and share purchase warrants are determined separately and prorated to the actual proceeds received. The fair value of the shares is determined using the quoted share price at the issue date. The fair value of share purchase warrants is measured using the Black-Scholes option pricing model at the issue date.

Share Issuance Costs

Share issuance costs are deferred and charged directly to share capital on completion of the related financing. If the financing is not completed, share issuance costs are charged to operations.

2. Significant Accounting Policies (continued)

Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distributions of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

New Accounting Standards and Interpretations not adopted yet

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2023 that have not been applied in preparing the condensed interim consolidated financial statements for the period ended July 31, 2023. These standards and interpretations are not expected to have a material impact on the Company's condensed interim consolidated financial statements.

3. Health Gauge Inc. (formerly Salu Design Group Inc.) Acquisition

On August 16, 2020, the Company entered into a share exchange agreement (the "Agreement") with Health Gauge Inc. (formerly Salu Design Group Inc.) ("Health Gauge"), which is a private technology company based in Edmonton, Alberta to acquire 70% of the issued and outstanding common shares of Health Gauge. This Agreement was part of the Company's change of business from mineral exploration to a technology company.

In accordance with IFRS 3, Business Combinations, the purchase agreement was a business combination for accounting purposes with the Company being identified as the acquirer.

In December 2020, under the terms of the Agreement, the Company acquired 70% of the issued and outstanding common shares of Health Gauge for the following consideration:

i) 3,000,000 common shares of the Company valued at $450,000.
ii) 7,000,000 performance warrants which are exercisable into 7,000,000 common shares, free of cost, subject to the following performance conditions being met by Health Gauge.
  - 2,000,000 performance warrants, valued at $349,860, are exercisable upon Health Gauge generating aggregate sales revenue within any six consecutive month period of $600,000, within 2 years of December 15, 2020
  - 5,000,000 performance warrants, valued at $174,930, are exercisable upon Health Gauge generating aggregate sales revenue within any six consecutive month period of $1,200,000, within 3 years of December 15, 2020.

The fair value of the performance warrants was estimated using the Black-Scholes option pricing model on the following assumptions: forfeiture rate of 0%, dividend yield of 0%; volatility 144% - 153%; risk-free interest rates of 0.20%; and an expected life of 2 and 3 years.

The Company also has the option to purchase the remaining 30% of issued and outstanding common shares of Health Gauge from the non-controlling shareholders (the "call option") over a three-year period in exchange for 10,000,000 common shares of the Company and an additional 5,000,000 performance warrants of the Company. Fair value of the call option is $Nil.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

(Expressed in Canadian Dollars)

3. Health Gauge Inc. (formerly Salu Design Group Inc.) Acquisition (continued)

Consideration - shares	$	450,000
Consideration - performance warrants		524,790
Total consideration	$	974,790
Identifiable assets and liabilities acquired		
Cash	$	16,275
Receivables		52,928
Inventory		1,750
Accounts payable and accrued liabilities		(114,036)
Amounts due to related parties and loans payable		(347,903)
Non-controlling interest		117,296
Goodwill		1,248,480
Net assets acquired	$	974,790

Goodwill

Goodwill of $1,248,480 is primarily related to the assembled workforce of Health Gauge and growth expectations. Goodwill recognized will not be deductible for income tax purposes.

During the year ended April 30, 2021, management completed its annual impairment testing for goodwill. As a result of management's analysis and estimates and the uncertainty of future cash flows, it was determined that goodwill was impaired and an impairment charge of $1,248,480 was recognized in profit or loss.

Receivables

Receivables acquired consist of ITCs and SRED receivable. Fair value of these receivables is $52,928. SRED refund of $46,763 was collected during the year ended April 30, 2021.

Non-controlling interest

The non-controlling interest was measured at the date of acquisition at their proportionate share in the recognized amounts of the identifiable net assets.

Health Gauge's net loss and comprehensive loss for the period ended July 30, 2023 was $95,866 (2022 - $33,389), of which $36,371 (2022 - $26,097) was allocated to non-controlling interests.

Additional interest purchased

During the year ended April 30, 2023, the Company acquired an additional 28.5647% interest in Health Gauge by issuing 1,712,808 performance warrants which are exercisable into 1,712,808 common shares, free of cost, if Health Gauge generates $526,250 of revenue from designated contracts by October 15, 2023. Of the 1,712,808 warrants 1,272,114 were issued to individuals who are also key management personnel of the Company.

The fair value of the performance warrants was estimated using the Black-Scholes option pricing model on the following assumptions: forfeiture rate of 0% as management expects the revenue target to be achieved, dividend yield of 0%; annual volatility 144%; risk-free interest rate of 3.89%; and an expected life of 0.9 years.

Effective November 15, 2022, the Company's ownership interest in Health Gauge was 98.5647%.

(Expressed in Canadian Dollars)

4. Investment in Associate – Tech2Heal SAS

On September 22, 2021, the Company entered into a share purchase agreement with Tech2Heal SAS ("Tech2Heal"), an arms length, private company based in Paris, France, to acquire a 22.22% interest in Tech2Heal's common shares equity in consideration of €2,000,000 as follows:

	Percentage Interest (%)
€750,000 ($1,086,975) upon closing of the transaction (paid)	8.333% (acquired)
€250,000 on or before March 23, 2022 (paid)	2.778% (acquired)
€500,000 on or before September 23, 2022 *	5.555%
€500,000 on or before March 23, 2023 *	5.555%
€2,000,000	22.22%

* At July 31, 2023, the agreement remained in good standing.

During the year ended April 30, 2022, the Company acquired an 8.333% interest in Tech2Heal. As a result of the Company holding a seat on the Board it was determined that the Company exercises significant influence over Tech2Heal and has accounted for its investment in Tech2Heal using the equity method.

		Investment in associate
Balance as at April 30, 2022		1,060,497
Share of loss on equity investment (8.333% of net loss)		(32,614)
Partial payment towards 2.778% additional interest		210,637
Balance as at April 30, 2023		1,238,520
Share of loss on equity investment (11.111% of net loss)		(23,659)
Remaining payment towards 2.778% additional interest		325,980
Balance as at July 31, 2023	$	1,540,841

Summary statement of financial position of Tech2Heal as at period ended July 31, 2023 and year ended April 30, 2023.

		July 31, 2023		April 30, 2023
Cash	$	208,838	$	94
Other current assets		120,654		133,807
Non-current assets		685,323		772,242
Total assets		1,014,815		906,143
Current liabilities		937,499		609,224
Net assets	$	208,838	$	94

Summary statement of loss of Tech2Heal for the three months ended July 31, 2023 and year ended April 30, 2023.

		For the three months ended July 31, 2023		For the year ended April 30, 2023
Loss from operations	$	(212,951)	$	(391,352)
Net loss and comprehensive loss		(212,951)		(391,352)

(Expressed in Canadian Dollars)

4. Investment in Associate – Tech2Heal SAS (continued)

Purchase of shares in AI RX Inc.

During the year ended April 30, 2023, the Company issued 1,762,500 common shares with a fair value of $79,313 to purchase 70% of AI Rx Inc., a corporation that has been granted the exclusive commercial use of all products, brands, and trademarks of Tech2Heal in North America in perpetuity. The transaction has been recorded as an asset acquisition. At the date of acquisition, AI RX Inc. had net assets consisting intangible assets of $113,304 offset by non-controlling interest of $33,991. At April 30, 2023, the Company did an assessment and determined that the intangible asset was impaired.

During the period ended July 31, 2023 there was no activity in the subsidiary.

5. Marketable Securities

On May 20, 2016, the Company received 71,666 common shares of Pancontinental Gold Corporation, a publicly traded company listed on the TSX Venture Exchange, with a fair value of $53,750.

The common shares are held-for-trading and as of July 31, 2023, the fair value of the common shares was $9,675 (April 30, 2023 - $10,333). During the period ended July 31, 2023, the Company recorded an unrealized loss of $358 (2022 – $25,084) which has been recorded in profit or loss.

6. Prepaid Expenses

As at July 31, 2023, prepaid expenses consisted of prepayments of $70,592 towards future advertising and promotion costs operating costs and a $9,653 security deposit for office lease.

As at April 30, 2023, prepaid expenses consisted of prepayments of $84,680 towards future advertising and promotion costs operating costs and a $9,653 security deposit for office lease.

7. Accounts Payable and Accrued Liabilities

		July 31, 2023		April 30, 2023
Trade payables	$	348,993	$	563,009
Accrued liabilities		15,000		52,000
Interest payable		103,975		101,025
Total accounts payable and accrued liabilities	$	467,968	$	716,034

During the period ended April 30, 2023, the Company corrected $5,250 (April 30, 2023 – reversal of $143,366) of payables that passed the British Columbia term for statute of limitations.

8. Loans Payable

As at July 31, 2023, the Company owes the amount of $12,220 (April 30, 2023 - $12,220) to an unrelated party, which is non-interest bearing, unsecured, and with no fixed repayment terms.

(Expressed in Canadian Dollars)

9. Right-of-use Asset and Lease Liabilities

During the year ended April 30, 2021, the Company entered into an agreement that was a lease as defined under IFRS 16. In analyzing the identified agreement, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract. Lease liabilities were calculated with a discount rate of 20%.

Lease Type	Date of Maturity
Edmonton, Alberta office	April 30, 2024

The right of use assets are depreciated on a straight-line basis over the term of the lease

Right of use asset, April 30, 2022	$	84,104
Depreciation of right of use asset		(42,052)
Right of use asset, April 30, 2023		42,052
Depreciation of right of use asset		(10,513)
Right of use asset, July 31, 2023	$	31,539

Lease liabilities, April 30, 2022	$	92,118
Accretion of interest		14,755
Payment of lease liabilities		(56,261)
Lease liabilities, April 30, 2023		50,612
Accretion of interest		2,337
Payment of lease liabilities		(14,065)
Lease liabilities, July 31, 2023		38,884
Lease liabilities – current		(38,884)
Lease liabilities – long term	$	-

10. Notes Payable

i) During the year ended April 30, 2021, the Company received $40,000 from the Government of Canada sponsored Canada Emergency Business Account (CEBA) in the form of a line of credit. This loan is a two-year, interest free loan, to be repaid by December 31, 2023. If the Company repays the CEBA loan on or before December 31, 2023, the Company may repay only $30,000 of the principal balance. Any unpaid principal portion of the CEBA loan after December 31, 2023 will be converted into a three-year loan with an annual interest rate of 5%. During the period ended July 31, 2023 the Company repaid $2,500 and $37,500 is still outstanding.

ii) As at July 31, 2023, the Company owed $117,000 (April 30, 2023 - $117,000) to an unrelated company, which is unsecured, bears simple interest at 10% per annum, and is due on demand. Total interest accrued during the period ended July 31, 2023 was $2,949 (2022 - $2,949).

(Expressed in Canadian Dollars)

11. Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

Remuneration of directors and key management personnel of the Company was as follows:

	For the three months ended July 31, 2023	For the three months ended July 31, 2022
Management fees	$ 34,500	$ 30,000
Professional fees	9,000	16,251
Salaries and benefits	56,308	20,846
Share-based payments	-	8,491
	$ 99,808	$ 75,588

As at July 31, 2023, the Company owed:

i) $797,645 (April 30, 2023 - $789,577) to a company controlled by a former director of the Company for management fees and expenses. Of the total amount owing, $640,150 is unsecured and bears interest at 5% per annum and repayable by December 31, 2022 (not yet repaid). Prior to January 31, 2021, the loan was non-interest bearing. During the period ended July 31, 2023, the Company accrued interest of $8,068 (2022 - $8,068) and at July 31, 2023 $88,995 (April 30, 2023 - $80,927) of interest was payable.

The remaining amount owing of $68,500 (April 30, 2023 - $68,500) is unsecured, non-interest bearing with no fixed terms of repayment.

ii) $22,601 (April 30, 2023 - $82,730) to the Chief Executive Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

iii) $Nil (April 30, 2023 - $7,644) owing to the spouse of a director, which is unsecured, non-interest bearing, with no fixed terms of repayment.

iv) $950 (April 30, 2023 - $7,376) owing to a director, which is unsecured, non-interest bearing, with no fixed terms of repayment.

v) $Nil (April 30, 2023 - $10,851) owing to a partnership in which the former Chief Financial Officer has an interest.

vi) $13,681 (April 30, 2023 - $25,961) to the Chief Technology Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

vii) $59,038 (April 30, 2023 - $125,254) to a director of the Company and his spouse, which is unsecured, non-interest bearing, with no fixed terms of repayment.

During the period ended July 31, 2023, the Company had $39,855 (2022 - $38,065) of license fee revenue and $132,812 (2022 - $36,750) of services revenue, the other corporation has a common officer and director and is therefore considered to be a related party. As at July 31, 2023, $115,910 (April 30, 2023 - $95,811) of this amount was in accounts receivable.

12. 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.

b) Common shares issued

For the period ended July 31, 2023, the Company:

i) completed a private placement of 4,016,000 units at a price of $0.075 per unit, for gross proceeds of $301,200. Each unit consists of one common share and one common share purchase warrant exercisable for five years and will entitle the holder to purchase one warrant share at a price of $0.10 for the first year from the date of closing, $0.20 for the second year, $0.30 for the third year, $0.40 for the fourth year, and $0.50 for the fifth year following the closing date. The Company paid finders fees of $3,750 and issued 67,500 broker warrants (valued at $7,340), which are on the same terms as the warrants forming part of the units.

ii) issued 775,000 common shares upon exercise of warrants at an exercise price of $0.10 per common share.

iii) completed a private placement of 10,811,972 units at a price of $0.075 per unit, for gross proceeds of $810,884. Each unit consists of one common share and one common share purchase warrant exercisable for five years and will entitle the holder to purchase one warrant share at a price of $0.10 for the first year from the date of closing, $0.20 for the second year, $0.30 for the third year, $0.40 for the fourth year, and $0.50 for the fifth year following the closing date. The Company paid finders fees in relation to the second tranche of $48,520 and issued 344,300 broker warrants (valued at $49,120), which are on the same terms as the warrants forming part of the units.

iv) completed a private placement of 3,114,087 units at a price of $0.11 per unit, for gross proceeds of $342,550. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.20 for a period of two years from the date of closing. The Company paid finders fees of $2,970 and issued 27,000 broker warrants (valued at $2,600), which are on the same terms as the warrants forming part of the units.

For the year ended April 30, 2023, the Company:

i) issued 1,762,500 common shares with a fair value of $79,313 to purchase 70% of AI Rx Inc. (Note 4).

ii) issued 1,845,000 shares relating to a warrant exercise incentive program at a price of $0.075 per common share.

iii) issued 800,000 common shares with a fair value of $76,000 as per agreements for advertising and marketing services.

iv) issued 1,845,000 common shares pursuant to the exercise of warrants for proceeds of $138,375 and paid $5,540 in solicitation fees. This issuance was part of a Warrant Exercise Incentive Program and the Company issued 1,845,000 incentive warrants pursuant to this exercise. Each incentive warrant can be exercised for one common share of the Company with an exercise price of $0.10 and an expiration date of January 19, 2024.

v) closed a non-brokered private placement and issued 4,867,748 units at a price of $0.06 per unit, for gross proceeds of $292,065. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.10 expiring March 14, 2025. The relative fair value of the share purchase warrants issued was $108,967 and was calculated using the Black-Scholes option pricing model assuming an expected life of 2 years, volatility of 134%, risk free rate of 3.72%, and no expected dividends or forfeitures. The Company paid cash solicitation fees of $4,267.

vi) impaired $25,000 in subscriptions receivables as the Company deemed the amount uncollectible.

As at July 31, 2023, the Company had 718,439 common shares remaining in escrow.

(Expressed in Canadian Dollars)

13. 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 then issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of ten years and cannot be assigned or transferred.

The following table summarizes the continuity of the Company's stock options:

	Number of stock options		Weighted average exercise price
Balance, April 30, 2022	3,150,000	$	0.36
Issued	1,300,000		0.20
Cancelled/Expired	(1,950,000)		0.34
Balance, April 30, 2023	2,500,000		0.30
Cancelled/Expired	(300,000)		0.80
Balance, July 31, 2023	2,200,000	$	0.23

The weighted average fair value of options granted during the period ended July 31, 2023 was $Nil (April 30, 2023 - $0.05).

The weighted average remaining life of the options outstanding as at July 31, 2023 was 3.51 years (April 30, 2023 – 3.33 years).

During the period ended July 31, 2023, the Company:

As at July 31, 2023, the following stock options were outstanding:

Expiry date	Exercise price	Remaining contractual Life (years)	Number of options outstanding	Exercisable
October 8, 2023	$0.80	0.19	100,000	100,000
December 21, 2023	$0.20	0.39	300,000	300,000
April 30, 2027	$0.20	3.70	800,000	800,000
March 12, 2028	$0.20	4.62	1,000,000	1,000,000
		3.51	2,200,000	2,200,000

(Expressed in Canadian Dollars)

14. Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price	
Balance, April 30, 2022	20,648,000	$	0.05
Issued (Note 12 (b))	8,425,556		0.08
Exercised[(1)]	(2,470,000)		0.06
Expired/cancelled	(13,178,000)		0.52
Balance, April 30, 2023	13,425,556		0.05
Issued (Note 12 (b))	18,380,679		0.12
Exercised[(2)]	(775,000)		0.10
Balance, July 31, 2023	13,425,556	$	0.09

[(1)]The weighted average trading price on the exercise date was $0.08.
[(2)]The weighted average trading price on the exercise date was $0.228.

The weighted average remaining life of the warrants outstanding as at July 31, 2023 was 0.99 years (April 30, 2023 – 1.07 years).

As at July 31, 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
1,712,808	$ -	October 15, 2023 [(1)]
5,000,000	-	December 15, 2023 [(1)]
1,070,000	0.10	January 19, 2024 [(2)]
4,867,748	0.10	March 14, 2025 [(3)]
3,141,087	0.10	July 12, 2025 [(3)]
4,083,500	0.10[(4)]	June 8, 2028
11,156,092	0.10[(5)]	July 4, 2028
31,031,235	$ 0.09	

1) See Note 3 - Health Gauge Inc. acquisition.
2) The Company initiated a warrant exercise incentive program where exercise of this warrant series granted the holder an additional warrant exercisable at $0.10 until January 19, 2024. Each warrant entitles the holder to subscribe for one additional share. All new warrants are subject to the rights of the Company to accelerate expiry upon 30 days' notice if the shares of the Company trade on the CSE at or above $0.20 for a period of 10 days. During the year ended April 30, 2023, 1,845,000 new warrants were issued.
3) See Note 12
4) Warrant Share at a price of $0.10 on or before June 8, 2024, $0.20 on or before June 8, 2025, $0.30 on or before June 8, 2026, $0.40 on or before June 8, 2027, and $0.50 on or before June 8, 2028.
5) Warrant Share at a price of $0.10 on or before July 4, 2024, $0.20 on or before July 4, 2025, $0.30 on or before July 4, 2026, $0.40 on or before July 4, 2027, and $0.50 on or before July 4, 2028.

15. Capital Management

The Company's policy is to maintain a strong capital base as to maintain investor and creditor confidence, safeguard the Company's ability to support the development of its projects and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of $894,594 (April 30, 2023 – deficiency of $247,459). There are no external restrictions on the Company's capital. There were no changes in the Company's approach to capital management during the year.

16. Financial Instruments and Risk Management

Fair value

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - Fair value measurements are derived from quoted prices in active markets or identical assets or liabilities;

Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities, notes payable, due to related parties and loans payable approximate their carrying value, due to their short-term maturities. The Company's cash and marketable securities are measured at fair value in accordance with level 1 of the fair value hierarchy.

Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's management team approves and monitors the risk management processes, with guidance from the Audit Committee under policies approved by the Board of Directors. There were no changes in the Company's approach to risk management during the year. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and accounts receivable. The majority of cash is maintained at a major financial institution with reputable credit and therefore management believes credit risk to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 15. Historically, the Company's sources of funding have been the issuance of debt and equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company's financial liabilities are comprised of its accounts payable and accrued liabilities, notes payable, due to related parties, loans payable and lease liabilities. As at July 31, 2023, the Company had a cash balance of $554,443 (April 30, 2023 - $4,530) to settle current liabilities of $1,518,660 (April 30, 2023 - $1,788,212). As at, July 31, 2023 the Company had negative working capital, please see going concern (Note 1).

16. Financial Instruments and Risk Management (continued)

b) Liquidity risk (continued)

The following is an analysis of the contractual maturities of the Company financial liabilities as at July 31, 2023:

		Within one year
Accounts payable and accrued liabilities	$	467,968
Notes payable		154,500
Due to related parties		845,088
Loans payable		12,220
Lease liabilities		38,884
	$	1,518,660

c) Market risk

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

i) 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. As of July 31, 2023, the Company had notes payable of $117,000 and an amount due to a related party of $845,088 that bears interest at fixed rates. Management considers this risk to be immaterial.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency rates. At July 31, 2023 and 2022, the Company's major purchases are transacted in Canadian dollars.

The Company has cash and accounts payable and accrued liabilities denominated in US dollars (USD). The carrying value of these items may change due to fluctuations in foreign exchange rates. As at July 31, 2023, the Company did not have any significant monetary assets or liabilities in foreign currencies. Management estimates that the effect of a 10% change in the US dollar against the Canadian dollar would be negligible.

iii) Price risk

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. There is price risk associated with the Company's marketable securities. A 10% change in the market price of the Company's marketable securities would have a $968 impact on net profit or loss.

17. Research and Development

	For the period ended July 31, 2023	For the period ended July 31, 2022
Consultants/developers/other	$ 62,158	$ 45,457

18. Segmented Reporting

The Company operates in one reportable segment in Canada, being the research and development of health and wearable technologies, and the sale of licenses and consulting services related to those technologies,