AI/ML INNOVATIONS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2024

Introduction

The following Management's Discussion and Analysis ("MD&A") of AI/ML Innovations Inc. (the "Company" or "AIML") has been prepared to provide updates to the business, operations, liquidity and capital resources of the Company since its last annual MD&A for the fiscal year ended April 30, 2023. Additional information relating to AI/ML is available under the Company's SEDAR+ profile at www.sedarplus.ca.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended April 30, 2024 and 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended April 30, 2024 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at date of this report, unless otherwise indicated.

The consolidated financial statements for the year ended April 30, 2024, were prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Going concern

The consolidated financial statements were prepared with 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 debt, or equity financing, or generate profitable operations in the future. The Company believes it will be able to raise 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. These conditions indicate a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Description of Business

The Company was incorporated under the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on November 4, 2009. On December 30, 2020, the Company filed a listing application with the Canadian Securities Exchange (CSE).

During the year ended April 30, 2021, the Company entered and closed a share exchange agreement (the "Share Agreement") with Salu Design Group Inc. (hereinafter referred to as "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.

Health Gauge's products completed beta testing in 2021 and were commercially available in the same year. Health Gauge developed strategic partnerships with several organizations during the fiscal year end April 30, 2022.

Additionally, during the year ended April 30, 2022, the Company acquired a minority interest in a Paris, France based company, Tech2Heal. Tech2Heal is a digital healthcare company with a focus on mental health support through its proprietary basket of apps and software platforms.

Finally, during the year ended April 30, 2022, the Company established AI Rx Inc. to hold the exclusive North American commercial usage rights (USA, Canada, Mexico) to Tech2Heal's complete portfolio of digital mental wellness and health-tech products and platform services, patents, technologies, brands, and trademarks.

The Company's 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.

Overall Performance and Outlook

Corporate

AI/ML Innovations Inc. has aligned its business operations to capitalize on the burgeoning areas of artificial intelligence (AI) and machine learning (ML), with an initial focus on emerging companies in the digital healthcare space.

On September 11, 2023, the Company announced Paul Duffy as its new Chief Executive Officer (CEO) of its wholly owned subsidiary, Health Gauge. The Company also appointed Mr. Fabrice Pakin, Masters (Marketing & International Business), to the Board of Directors.

On September 22, 2023, the Company entered into a Marketing Services Agreement with Octagon Media Corp. ("Octagon"), whereby Octagon will attend to meeting with management, dissemination of AIML press releases and/or AIML-generated and approved analysis, marketing and other materials, via Octagon's media site and other public media sites. This agreement was terminated with cause on December 11, 2023.

On October 11, 2023, the Company entered into a Debt Settlement Agreement with Tormin Resources Limited of Roslin, Ontario (the "Creditor"). The Company owes the Creditor an aggregate amount of $733,441, plus $68,500 in accrued fees, for a total amount of $801,941.00 (the "Debt") pursuant to a loan. The Company and the Creditor have entered into a Debt Settlement Agreement dated October 11, 2023, wherein the Creditor has agreed to accept a cash payment of $70,000 in full and complete settlement of the debt.

On December 8, 2023, the Company appointed Follow The Money Investment Group ("FTMIG") as a marketing consultant.

Health Gauge

Health Gauge was incorporated for the purpose of commercializing new technology that could revolutionize ways to measure and track personal health biometrics, and ultimately help people better manage their ongoing health challenges. Health Gauge's patent-pending solution is a personal health monitoring & management system, which combines the latest wearable health monitors with sophisticated artificial intelligence software tools and a proprietary cloud computing software platform, to help caregivers, patients, and healthcare professionals access and utilize relevant data. Health Gauge's robust, real-time data capture capability provides fast feedback, resulting in better recovery outcomes and the realization of healthy living objectives through the ability to make immediate and better-informed health choices.

On March 6, 2024, the Company announced that its wholly owned subsidiary, Health Gauge, introduces the commercial launch of "Follow Your Heart," a unique wellness-oriented product set to redefine how individuals monitor their blood pressure trends through the convenience of a smart watch. Combining cutting-edge technology with user-friendly design, "Follow Your Heart" leverages Health Gauge's proprietary and patented AI PrecisionPulse Neural Network measurement technology. The result is a non-invasive solution that is able to provide medical grade accuracy for blood pressure measurements and trends, through the convenience of a smartwatch. The product will be available for purchase through retail pharmacies and other channels catering to individuals managing hypertension.

According to recent statistics, nearly one half of adults in the U.S. suffer from high blood pressure, underscoring the critical need for reliable and accessible blood pressure monitoring solutions. "Follow Your Heart" emerges as a timely response to this health challenge, empowering users to take control of their cardiovascular well-being with ease.

Addressing the Hypertension Epidemic in the United States (https://www.cdc.gov/bloodpressure/facts.htm)

- Having hypertension puts you at risk for heart disease and stroke, which are leading causes of death in the United States.
- In 2021, hypertension was a primary or contributing cause of 691,095 deaths in the United States.
- Nearly half of adults have hypertension (48.1%, 119.9 million), defined as a systolic blood pressure greater than 130 mmHg or a diastolic blood pressure greater than 80 mmHg or are taking medication for hypertension.
- About 1 in 4 adults with hypertension have their hypertension under control (22.5%, 27.0 million).
- About half of adults (45%) with uncontrolled hypertension have a blood pressure of 140/90 mmHg or higher. This includes 37 million U.S. adults.
- About 34 million adults who are recommended to take medication may need it to be prescribed and to start taking it. Almost two out of three of this group (19 million) have a blood pressure of 140/90 mmHg or higher.
- High blood pressure costs the United States about $131 billion each year, averaged over 12 years from 2003 to 2014.

On March 13, 2024, the Company announced that its wholly owned subsidiary, Health Gauge, introduces The Pulse Guru (formerly known as The Pulse Whisperer), the second innovative product based upon the Company's wearable technology patented solution and advanced Neural Network.

The Pulse Guru offers healthcare innovators, researchers, and other users unparalleled access to rich biometric raw ECG and PPG signal data capture through Health Gauge's proprietary and patented AI Precision Pulse Neural Network solution. This enables in-depth analysis and insights into cardiovascular health and wellness that is not possible with the mainstream wearables on the market today.

<u>Empowering Users with Vital Insights - The Pulse Guru Value Proposition</u>
The Pulse Guru stands out in the competitive landscape of smart sensor wearables by delivering a continuous stream of rich time-series data, unlocking vital insights into cardiovascular health. The comprehensive value proposition includes:

1. Rich Time-Series Data:
   The Pulse Guru provides a continuous and rich stream of time-series data from both ECG and PPG data streams, setting it apart from mainstream wearables such as Apple Health, Google Fit, Garmin, and Fitbit that do not provide access to streaming biosignals and measurements. This wealth of information from The Pulse Guru allows for the ability to conduct greater in-depth analysis and insights into cardiovascular health, as well as making it easier for innovators to conduct their own original research.
2. Proprietary AI PrecisionPulse Neural Network:
   Health Gauge's AI PrecisionPulse Neural Network, based on our a proprietary and patented technology, sets a new standard for accuracy and precision in analyzing raw biometric signals. This advanced neural network ensures reliable and real-time health & wellness data assets, providing users with a more comprehensive understanding of their well-being.

3. Neural Network Licensing Program:
   The introduction of the Neural Network licensing program signifies a strategic move towards collaboration. Wearable device manufacturers, medical device developers, researchers, data scientists, and machine learning engineers in Health Tech, along with educational institutions, now have the opportunity to leverage the power of the AI PrecisionPulse Neural Network.
4. Micropay Access for Blood Pressure Measurement:
   The Pulse Guru offers micropay access to the proprietary AI PrecisionPulse Neural Network for Blood Pressure Measurement. This opens avenues for seamless integration of this cutting-edge technology into various applications and services.
5. Target Buyers:
   Wearable Device Manufacturers
   Medical Device Developers and Innovators
   Medical Researchers Clinical Trial Researchers
   Data Scientists and Machine Learning Engineers in Health Tech
   Educational Institutions

Tech2Heal

Tech2Heal is a Paris, France based healthcare innovator specializing in digital health technologies with the objective of creating a compassionate, collaborative and patient-centered healthcare ecosystem. Tech2Heal has developed a portfolio of health-tech products and services designed to improve an individual's mental and physical well-being by utilizing a unique blend of proprietary digital assets and remote live counselling. At April 30, 2024, the Company performed an assessment of indicators of impairment in the investment and recorded impairment loss of $1, 439,108 as a result of the significant financial difficulty of Tech2Heal.

On October 4, 2023, the Company announced that its minority-owned subsidiary, Tech2Heal SAS is the recipient of a funding grant in the amount of EUR50,000 as a result of its participation as the technology partner in Europe's largest study for the "prevention of loss of autonomy in the elderly through the use of personalized care pathways" (the "Study").

On October 18, 2023, the Company announced that its minority-owned subsidiary, Tech2Heal SAS from Paris, France, has announced the following:

Tech2heal, a leading innovator of digital healthcare solutions, is thrilled to announce its latest milestone - securing its second clinical trial contract. This time for a groundbreaking clinical trial project named "My Health Friend", a symbol of cross-border cooperation between France and Italy in the realm of preventative health care. Tech2Heal's proprietary Alakin Platform, a highly adaptable care pathway builder, has been chosen as the digital backbone for this pioneering trial that is set to commence in May of 2024. At the heart of the trial is the innovative, multi-language My Health Friend mobile health application, designed to enhance the well-being of a targeted cross-border population through personalized digital rehabilitation - ultimately striving to mitigate the socio-health and economic impact of chronic diseases within geographical regions that have limited access to in-person health care.

Key Highlights of the Clinical Trial:

1. Multi-Language Health Mobile Application: "My Health Friend" brings healthcare solutions closer to the people it serves, offering a seamless experience in English, French and Italian, thereby breaking down linguistic barriers.

2. Personalized Digital Rehabilitation: This application puts the power of personalized rehabilitation in the hands of users, providing tailored programs to address individual needs, effectively.

3. Clinical Dashboard for Remote Monitoring: The Alakin clinical dashboard empowers healthcare teams with an efficient tool for remote patient monitoring, ensuring a higher standard of care, even at a distance.

Clinical Trial Primary Objectives:

1. Gauging User Satisfaction and Usage: The first objective is to gather critical data on user satisfaction levels regarding the application and its associated website. In a significant and inclusive move, the trial targets the general population of the transalpine territories of France and Italy. It allows free usage of the application and includes a substantial group of 1000-1500 individuals, spanning an 18-month period, guaranteeing comprehensive and robust results.

2. Assessing Well-being and Quality of Life Impact: The second objective is to assess the impact on wellbeing and quality of life over a 6-month period. Participants using the application and associated website will provide invaluable insights into how this innovative technology enriches their lives.

On October 19, 2023, the Company received the following press release from its minority-owned subsidiary, Tech2Heal SAS.

Tech2heal, a pioneering Paris-based company specializing in AI-based digital health services, proudly announces its pivotal participation in a distinguished consortium, anchored by Essilor International (a division of EssilorLuxottica - the largest single player in the global eyewear market). This consortium represents an extraordinary convergence of cross-functional experts spanning the entire value chain, comprising 11 esteemed partner organizations hailing from four EU countries. The consortium's mandate is to advance Tech2heal's project, aptly named "Platform for Optimized Performance Using Augmented Reality Eyewear in Real-world environments" (POPULAR).

The focal point of the POPULAR project is the development of a groundbreaking Augmented Reality Eyewear (ARE) platform, poised to cater to a broad spectrum of users and scenarios, transcending boundaries across professional, leisure, and daily life contexts. From optimizing workplace productivity to enriching leisure pursuits, the potential applications are limitless. The proposed eyewear aims to seamlessly integrate advanced OLED emitter materials and revolutionary holographic lens mirrors into prescription glasses, marking a leap forward in compactness, optical quality, and ultra-low power consumption.

One of the cornerstones to POPULAR's success is the pivotal role that Tech2heal will play in shaping the future of the project. Tech2heal is entrusted with the development of an app environment meticulously tailored to the hardware, offering contextually relevant services spanning telehealth, patient monitoring, hospital procedure training, and high-performance sports applications with real-time data integration. Tech2heal's pivotal contributions and innovative spirit are expected to unlock a wide array of exploitation opportunities and intellectual property patents, redefining the landscape of digital health.

The journey towards innovation is set to encompass several milestones, including the creation of prototypes that include a pioneering smartwatch for seamless computing and projection onto the eyewear. The project's holistic approach, marked by the dual strategy of Human Driven Design and multidisciplinary system engineering through iterative prototype testing, promises groundbreaking solutions that span various sectors, including outdoor sports, healthcare, and logistics.

The project's comprehensive scope, supported by the expertise of the consortium partners and guided by its Advisory Board, is poised to position Europe as a global leader in the burgeoning market of Augmented Reality Eyewear. As Tech2heal embarks on this transformative journey, it remains steadfast in its commitment to leveraging technology to enhance human well-being and redefine the boundaries of digital health.

On November 1, 2023, the Company announced that its minority-owned subsidiary, Tech2Heal SAS entered a consortium led by Essilor International, propelling the development of a groundbreaking Augmented Reality Eyewear platform named "POPULAR." This ambitious project promises to redefine how we interact with technology across various sectors, from healthcare to leisure, and positions Europe as a leader in the Augmented Reality Eyewear market. Tech2heal's pivotal role in developing an app environment tailored to this hardware marks a significant step towards unlocking innovative solutions in the digital health landscape.

On November 9, 2023, the Company reported the following press release from its minority-owned subsidiary, Tech2heal SAS:

Tech2heal, a pioneer in AI-powered healthcare technology, is delighted to reveal its latest in a number of strategic partnerships. This alliance was formed with a leading France-based health service provider (the "Partner"), who specializes in virtual occupational health clinics that specifically focus on enhancing mental health, and addressing sleep disorders, two critical aspects of overall employee well-being.

This collaboration marks a significant advancement in the realm of mental health and sleep disorder prevention as it brings together Tech2heal's versatile AI-powered clinical care platform, Alakin, with the Partner's innovative risk prevention solutions, tailored to corporate clients. This alliance underscores the emerging role of technology in addressing mental health and sleep disorders, with the primary goal of improving employee well-being in today's dynamic workplace environment. To maintain certain competitive advantages in the marketplace, the Partner's identity remains undisclosed.

Highlights of the Partnership

1. Cutting-Edge Solutions: Tech2heal's Alakin platform will provide a robust foundation for the Partner's risk prevention solutions. By leveraging Alakin's highly customizable capabilities, the Partner can tailor their services to meet the unique needs of each employee of their corporate customers.

2. Streamlined Care Pathways: Alakin's user-friendly interface and capacity to create powerful hybrid care pathways were pivotal in the Partner's selection process. This feature will ensure a seamless experience for both patients and healthcare practitioners.

3. Market Acceleration: Tech2heal's Alakin platform empowers the Partner to expedite the introduction of their innovative employee risk prevention solutions to the market, effectively meeting the growing demand for mental health and sleep disorder solutions.

4. Comprehensive Tools: The alliance equips the Partner with a comprehensive suite of healthcare tools designed to address the needs of both patients and healthcare practitioners. This holistic approach ensures that every aspect of employee well-being is considered.

General

The Company has limited revenues, so its ability to ensure continuing operations is dependent on its ability to obtain necessary financing to complete product development and marketing activities, and ultimately, the future profitable operation by way of sustained revenue generation from its goods and services.

Trends

Although there can be no assurance that additional funding will be available to the Company, nor that the Company's sales in the short term will ramp up, management is of the opinion that the digital healthcare industry trends will continue to be favourable and hence, it may be possible to obtain additional funding for its project development. However, the Company remains cautious in case the economic factors that impact the digital healthcare industry deteriorate.

There is a growing awareness and acceptance amongst the public, healthcare providers, insurers/payors, and regulators towards the use of digital and virtual healthcare in general, with mental healthcare making up an increasing component of that. This trend is expected to continue at double digit growth rates globally for the next several years. Its acceptance was expedited by the CV-19 pandemic as patients were discouraged from face-to-face medical intervention in all but the most dire of circumstances. The general public has grown to understand the ease and convenience of digital healthcare as a result and healthcare payors understand that the deployment of digital health solutions both improves outcomes and reduces costs. Governments across Europe are implementing laws requiring payors to cover the cost of digital mental health therapy to the same extent as conventional methods.

Additionally, with the recent advancements in artificial intelligence and the general public's awareness of same, investors and strategic partners are showing a keen and growing interest in sourcing investments in the AI space. Predictions show that AI will have a multi trillion-dollar impact on the global economies and effect almost all facets of modern society. As this is the core business of the Company, we expect to benefit positively and significantly, both in terms of investor awareness as well as business development opportunities from this generational event.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Annual Financial Information

	Years ended April 30,		
	2024	**2023**	**2022**
Net loss and comprehensive loss for the year	$ 3,290,428	$ 1,492,628	$ 3,550,128
Basic and diluted loss per share	$ 0.06	$ 0.04	$ 0.11
Total assets	$ 329,688	$ 1,507,925	$ 2,039,812

Selected Quarterly Financial Information

Three months Ended	Total Net Revenue ($)	Net Loss ($)	Loss per share ($)	Total Assets ($)
April 30, 2024	40,202	1,951,641	0.03	329,688
January 31, 2024	108,593	515,024	0.01	2,199,373
October 31, 2023	(26,502)	455,533	0.01	1,947,877
July 31, 2023	172,571	368,230	0.01	2,347,037
April 30, 2023	156,145	250,961	0.04	1,507,925
January 31, 2023	138,228	351,736	0.01	1,457,499
October 31, 2022	108,561	371,424	0.01	1,462,475
July 31, 2022	63,080	518,507	0.01	1,638,472

Increased loss for the quarter ended April 30, 2024 compared with the previous quarter was primarily due to consulting of $109,598, salaries and benefit of $92,903, professional fees of $50,474, and impairment of investment in associate of $1,439,108. This increase was offset by revenue of $40,202.

Increased loss for the quarter ended January 31, 2024 compared with the previous quarter was primarily due to consulting of $152,228, salaries and benefit of $85,257, advertising and promotion of $87,280 and professional fees of $74,583. This increase was offset by revenue of $108,593.

Increased loss for the quarter ended October 31, 2023 compared with the previous quarter was primarily due to consulting of $68,165, salaries and benefit of $55,924, advertising and promotion of $78,553 research and development cost of $30,115 and professional fees of $56,829.

Decreased loss for the quarter ended July 31, 2023 compared with the previous quarter was primarily due to salaries and benefit of $125,531, advertising and promotion of $64,673, research and development cost of $62,158 and professional fees of $70,827. This increase was offset by revenue of $172,677.

Decreased loss for the quarter ended April 30, 2023 compared with the previous quarter was primarily due to revenue of $156,145 and decreased overall costs, such as advertising and promotion of $13,840, foreign exchange of $907 and salaries and benefit of $112,342. This decrease was offset by general and administrative expenses of $40,023, research and development cost of $62,056, and loss on marketable securities of $7,884.

Decreased loss for the quarter ended January 31, 2023 compared with the previous quarter was primarily due to revenue of $138,228 and decreased overall costs, such as general and administrative expenses of $30,958, research and development cost of $24,285, foreign exchange of $2,030 and gain on marketable securities of $7,167. This decrease was offset by advertising and promotion of $76,734 and salaries and benefit of $124,738.

Decreased loss for the quarter ended October 31, 2022 compared with the previous quarter was primarily due to revenue of $108,561 and decreased overall costs, such as general and administrative expenses of $39,701, professional and transaction fees of $40,408, advertising and promotion of $24,191 and share-based payments of $6,645 from the vesting of options. This decrease was offset by foreign exchange of $20,597, and loss on investment of $17,352.

Decreased loss for the quarter ended July 31, 2022 compared with the previous quarter was primarily due to revenue of $63,080 and decreased overall costs, such as general and administrative expenses of $53,806, professional and transaction fees of $57,803, and share-based payments of $8,491 from the vesting of options. This decrease was offset by increase in advertising and promotion of $127,117, and loss on investment of $18,712.

Financial Highlights

Financial Performance

For the three months ended April 30, 2024, compared to the three months ended April 30, 2023.

The Company incurred a net loss of $1,951,641 for the three months ended April 30, 2024, as compared to a net loss of $250,961 for the comparative period.

A brief explanation of the significant changes in expense categories is provided below:

i) Advertising and promotion of $44,022 (2023 - $13,840) increased due to the Company's effort to increase market awareness during the current period.

ii) Consulting of $109,598 (2023 - $26,740) increased due to consultants hired for business operations during the current period.

iii) Office expenses of $85,693 (2023 - $40,023) increased due to higher activities during the current period.

iv) Research and development of $40,161 (2023 - $62,056) decreased due to a decrease in the need for research and development.

v) Salaries and benefits of $92,903 (2023 - $151,823) decreased due to reallocation of expenses for portion attributed to costs of sales.

vi) Share-based payment of $12,183 (2023 - $64,618) decreased due to stock options granted and vested during the current period.

vii) Grant income of $85,567 (2023- $Nil) due to government tax credits received during the current period.

viii) Impairment of investment in associate of $1,439,108 (2023 - $Nil) due to the impairment for the Company's interest in Tech2Heal during the current period.

ix) Unrealized gain of marketable securities $7,166 (2023 - $7,884) due to fluctuations in fair market value of the securities that are held by the Company during the comparative period.

<u>For the year ended April 30, 2024, compared to the year ended April 30, 2023.</u>

The Company incurred a net loss of $3,290,428 for the year ended April 30, 2024, as compared to a net loss of $1,492,628 for the comparative year.

A brief explanation of the significant changes in expense categories is provided below:

i) Advertising and promotion of $274,529 (2023 - $241,882) increased due to the Company's effort to increase market awareness and obtain financing opportunities during the comparative year.

ii) Consulting of $396,144 (2023 - $377,966) increased due to additional consultants hired for business development in Europe.

iii) Office expenses of $223,351 (2023 - $160,887) increased due to higher activities during the current year.

iv) Management and director fees of $250,321 (2023 - $120,000) increased due to higher monthly fees from the current management team during the current year.

v) Professional expenses $252,713 (2023 - $198,012) increased due to higher legal fees during the current year.

vi) Salaries and benefits of $359,615 (2023 - $419,182) decreased due to reallocation of expenses for portion attributed to costs of sales.

vii) Share-based payments of $30,710 (2023 - $88,607) decreased due to grants and vesting of stock options during the current year.

viii) Derecognition of accounts payable of $5,250 (2023 – expense of $143,366) due to payables that passed the British Columbia term for statute of limitations.

ix) Loss on settlement of debt of $63,523 (2023 - $Nil) due to debt settlement agreement with a marketing consultant during the current year.

x) Grant income of $85,567 (2023- $Nil) due to government tax credits received during the current year.

x) Impairment of investment in associate of $1,439,108 (2023 - $Nil) due to the impairment for the Company's interest in Tech2Heal during the current year.

xi) Other income of $10,000 (2023 - $Nil) due to forgivable portion of CEBA loan repaid during the current year.

xii) Unrealized gain of marketable securities $5,375 (2023 – loss of $40,134) due to fluctuations in fair market value of the securities that are held by the Company during the current year.

Cash Flow

The Company had cash of $201,452 (2023 - $4,530). The increase in cash during the year ended April 30, 2024 was primarily due to cash provided by financing activities of $2,163,405 that was set off by cash used in operating activities of $1,640,504 and the further investment in Tech2Heal of $325,979.

Cash used in operating activities was $1,640,504 for the year ended April 30, 2024. Operating activities were affected by a net loss of $3,290,428 and significant adjustments of $63,523 for loss on settlement of debt, $1,439,108 for loss on investment in associate and change in non-cash working capital items of $171,066. For the year ended April 30, 2023, operating activities were affected by a net loss of $1,492,628 and significant adjustments of $40,134 for unrealized loss on marketable securities, $88,607 for share-based payments and shares for services $76,000 and change in non-cash working capital items of $525,544.

Cash used in investing activity for the year ended April 30, 2024 was $325,979 due to amounts paid for investment in Tech2Heal. For the year ended April 30, 2023, cash used in investing activity was $210,637 due to amounts paid for investment in Tech2Heal during the year.

Cash provided by financing activities for the year ended April 30, 2024 was $2,163,405, $2,209,234 for private placements, exercise of warrants of $122,500 and the office lease payments made during the year. For the year ended April 30, 2023, the cash used in financing activities was $292,065 for private placement subscription received, exercise of warrants of $148,375 and the office lease payments made during the year.

Liquidity and Capital Resources

The Company has non-material operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing R&D and operating activities. The cash resources of AI/ML are held with major Canadian financial institution.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in three areas, namely, funding of its general and administrative expenditures, sales and marketing efforts, and its R&D activities.

At April 30 2024, the Company had a working capital deficiency of $1,209,967 (2023 – $1,560,859).

<u>During the period from May 1, 2023 to September 26, 2024, the Company:</u>

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 1,225,000 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.

v) completed a private placement of 12,576,666 units at a price of $0.06 per unit, for gross proceeds of $754,600. 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 $0.12 for a period of two years from the date of closing. The Company paid finders fees of $44,710 and issued 618,500 broker's warrants (valued at $26,600), which are on the same terms as the warrants forming part of the units.

vi) issued 1,131,134 common shares valued at $73,524 for advertising and marketing services.

vii) issued 339,000 shares valued at $23,730 to settle $27,120 of debt, which resulted in a gain of $3,390 recorded in profit or loss.

viii) closed a non-brokered private placement and issued 9,200,000 units at a price of $0.05 per unit, for gross proceeds of $460,000. 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 on July 1, 2027, and subjected to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a 10 day period. Securities issued on this closing are subject to a statutory hold period until November 2, 2024. The Company paid share issuance costs of $29,850 and issued 417,000 broker warrants, which are on the same terms as the warrants forming part of the units.

ix) closed a non-brokered private placement and issued 10,230,000 units at a price of $0.05 per unit, for gross proceeds of $511,500. 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 on July 17, 2027, and subjected to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a for a period of at least 30 consecutive trading days. The Company paid share issuance costs of $26,478 and issued 529,550 broker warrants, which are on the same terms as the warrants forming part of the units.

x) issued 949,200 common shares pursuant to a share for debt agreement to settle indebtedness of $47,460 of services with an arm-length vendor.

xi) closed a non-brokered private placement and issued 7,845,000 units at a price of $0.05 per unit, for gross proceeds of $392,250. 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 on August 19, 2026, and subjected to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.25 for a for a period of at least 20 consecutive trading days. The Company paid share issuance costs of $18,200 and issued 364,000 broker warrants, which are on the same terms as the warrants forming part of the units.

xii) issued 393,334 common shares upon exercise of warrants

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 was a two year, interest free loan, to be repaid by January 18, 2024. If the Company repaid the CEBA loan on or before January 18, 2024, the Company was liable to only repay $30,000 of the principal balance. Any unpaid principal portion of the CEBA loan after January 18, 2024 would be converted into a three-year loan with an annual interest rate of 5%. During the year ended April 30, 2024, the Company repaid $30,000 and $10,000 forgivable portion was included in profit and loss.

ii) As at April 30, 2024, the Company owed $117,000 (2023 - $117,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand. Total interest accrued during the year was $11,732 (2023 - $11,700).

Changes in Accounting Policies and Recent Accounting Pronouncements

Please refer to the consolidated financial statements for the year ended April 30, 2024 on www.sedarplus.ca

Related Party Transactions

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

The Company's subsidiary, Health Gauge is non-arm's length from MedWatch, as they share a common officer and director.

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:

	Year ended April 30, 2024	Year ended April 30, 2023
Management fees	$ 250,321	$ 120,000
Professional fees	65,815	62,754
Office expenses	41,536	150,473
Salaries and benefits	183,574	150,473
Share-based payments	-	83,207
	$ 541,246	$ 416,434

As at April 30, 2024, the Company owed:

i) $821,672 (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 year ended April 30, 2024, the Company accrued interest of $32,095 (2023 - $32,008) and at April 30, 2024, $113,022 (2023 - $80,927) of interest was payable.

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

ii) $15,750 (2023 - $82,730) to the former Chief Executive Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

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

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

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

vi) $8,142 (2023 - $25,961) to the Chief Technology Officer and former director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

vii) $97,252 (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 year ended April 30, 2024, the Company had $161,998 (2023 - $Nil) of license fee revenue and $433,167 (2023 - $293,020) of services revenue from a related company which has a common officer and a common former director and is therefore considered to be a related party. As at April 30, 2024, $21,087 (2023 - $95,811) of this amount was in accounts receivable.

Naiad Lab Inc. – Asset Acquisition

On June 4, 2024, the Company entered into a definitive agreement on June 4, 2024 for asset purchase of cutting-edge technology from Naiad Lab Inc. in consideration of the following:

- issuance 6,700,000 common shares of the Company.
- incorporated a new operating subsidiary to hold the newly acquired assets.
- agreed to a streaming royalty (the "Royalty") to Naiad Lab Inc for up to a 20-year period, as per the following terms:
    i. a 2% Royalty which is payable on gross revenue of not less than $1,500,000 and not greater than $5,000,000 inclusive per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net.
    ii. a 3% Royalty which is payable on all gross revenue above $5,000,000 per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net.
    iii. the Company, at its sole discretion, may purchase the royalty from Naiad at any time for $1,000,000.
- granted 700,000 stock options for 5 years at a $0.20 exercise price to management members of Naiad.

- entered into consulting/management agreements with certain key members of Naiad Labs.

- issued 3,000,000 Contingent Payment Shares to Naiad Labs for a 12-month period, which are convertible into 3,000,000 Common Shares from Treasury at a cost of $0.00 per share, subject to the following terms
    i. the Long ECG Neural Net has formally entered the US FDA approval process;
    ii. the Long ECG Neural Net generates gross revenue of not less than $1,000,000.

Financial Instruments and Risk Management

The Company has realigned its business operations to capitalize on the burgeoning fields of artificial intelligence (AI) and machine learning (ML), with an initial investment focus on emerging digital health and wellbeing companies that leverage AI, ML, cloud computing and digital platforms to drive transformative healthcare management solutions and precision support delivery across the health continuum. The Company's financial condition, results of operations and business are subject to numerous risks.

For a complete discussion of such risks, please refer to the consolidated financial statements for the year ended April 30, 2024 on www.sedarplus.ca.

Change in Management

On May 15, 2024, the Company entered into an independent contractor agreement with Moonshot Inc. (the "Contractor") to set out the terms and conditions of the Contactor's ongoing services as Chief Executive Officer of the Company. In consideration of performing the services to the Company, payable to or as directed by the executives as follows:

- $125,000 payable in common shares in the capital of the Company on the effective date of the agreement (issued 3,333,333 common shares).
- $125,000 payable in common shares on the second anniversary of the effective date of the agreement.

In addition to monthly fees, the Company will also pay annual retention fees of $250,000 (issued 1,250,000 common shares for $62,500, remaining $187,500 outstanding) and $300,000 over the first 2 years of the agreement, payable quarterly in common shares.

Upon signing of the agreement, the Company granted to the Contractor options to purchase up to 1,500,000 common shares with an exercise price of $0.20 per share and a term of five years. The options will vest in three equal installments contingent on the Company achieving given milestones

In relation to the contractor agreement, the Company also entered into a finder's agreement with Wonderful Ventures LLC to assist the Company in the search of a new Chief Executive Officer for the Company. The Company paid cash of $30,000 and issued 750,000 common shares of the Company (fair valued at $37,600).

Share Capital

As of the date of this report, the Company has the following outstanding:

Common shares – 118,070,064

Stock options

Expiry Date	Exercise Price	Number of options outstanding	Exercisable
November 29, 2025	$0.20	1,400,000	425,000
May 15, 2026	$0.20	100,000	100,000
April 30, 2027	$0.20	700,000	700,000
March 12, 2028	$0.20	500,000	500,000
May 15, 2029	$0.20	1,500,000	-
August 27, 2029	$0.20	700,000	175,000
		4,900,000	2,275,000

Warrants

Expiry Date	Exercise Price	Number of warrants outstanding
March 14, 2025	$0.10	4,124,414
July 12, 2025	$0.20	3,141,087
December 19, 2025	$0.12[(3)]	13,195,166
August 19, 2026	$0.10	7,845,000
August 19, 2026	$0.10	364,000
July 1, 2027	$0.10	9,200,000
July 1, 2027	$0.10	417,000
July 17, 2027	$0.10	10,230,000
July 17, 2027	$0.10	529,550
June 8, 2028	$0.20[(1)]	3,983,500
July 4, 2028	$0.20[(2)]	11,156,092
		64,185,809

(1) $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.

(2) $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.

(3) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at $0.30 for a 10 day period.