



Condensed Consolidated Interim Financial Statements

For the three and six months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of AI/ML Innovations Inc. for the three and six months ended October 31, 2024 and 2023, have been prepared by the management of the Company and approved by the Company's Board of Directors.

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

AI/ML Innovations Inc.
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at:	Notes	October 31, 2024	April 30, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,144,865	\$ 201,452
Marketable securities	6	6,450	15,408
Accounts receivable	12	13,813	21,087
Sales tax credit receivable		78,029	50,995
Prepaid expenses		4,231	37,892
Inventory		2,854	2,854
Total current assets		\$ 1,250,242	\$ 329,688
Non-current assets			
Right-of-use assets	7	82,469	-
Intangible asset	8	402,000	-
Total assets		\$ 1,734,711	\$ 329,688
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	495,966	541,207
Loans and borrowings	10	129,220	129,220
Due to related party	12	45,332	869,228
Lease liabilities	7	29,091	-
Payroll liabilities		11,535	-
Share subscription payable	11	1,020,043	-
Total current liabilities		\$ 1,731,187	\$ 1,539,655
Non-current liabilities			
Lease liabilities	7	51,905	-
Total liabilities		\$ 1,783,092	\$ 1,539,655
SHAREHOLDERS' DEFICIENCY			
Share capital	13	28,631,534	27,118,501
Contributed surplus	13,14	7,183,368	6,517,045
Deficit		(35,825,726)	(34,807,122)
Shareholders' deficiency attributable to the shareholders of the Company		\$ (10,824)	\$ (1,171,576)
Non-controlling interest		(37,557)	(38,391)
Total shareholders' deficiency		(48,381)	(1,209,967)
Total shareholders' deficiency and liabilities		\$ 1,734,711	\$ 329,688

Nature of operations (Note 1)

Approved by the Board of Directors on December 30, 2024:

"Tim Daniels"

Director

"Nick Watters"

Director

AI/ML Innovations Inc.
Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended		Six months ended	
		October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Revenue					
Goods		-	6,327	-	6,337
License fee	12	41,003	40,731	82,101	80,586
Services		-	127,420	-	260,232
Total revenues		\$ 41,003	\$ 174,478	\$ 82,101	\$ 347,155
Cost of sales		(1,980)	(200,980)	(3,156)	(201,086)
Gross profit (loss)		\$ 39,023	\$ (26,502)	\$ 78,945	\$ 146,069
Operating expenses					
Marketing and shareholder relations		59,102	78,553	111,452	143,227
Consulting expense		250,720	68,165	528,077	134,318
Depreciation	7	7,732	10,513	10,309	21,026
Office and administration		63,555	10,366	98,818	36,159
Management and director fees	12	359,360	39,630	664,529	74,130
Professional fees		229,056	56,829	338,450	127,656
Research and development		7,129	30,115	7,380	92,273
Rent expense		7,359	7,221	14,678	13,350
Salaries, wages, and benefits	12	35,804	55,924	57,524	181,455
Share-based payments	14	10,737	19,600	22,084	19,600
Travel		16,102	3,538	25,546	5,088
Transfer agent, regulatory, and filing fees		20,685	14,813	44,427	39,978
Total operating expenses		\$ (1,067,341)	\$ (395,267)	\$ (1,923,274)	\$ (888,260)
Operating loss		\$ (1,028,318)	\$ (421,769)	\$ (1,844,329)	\$ (742,191)
Other income (expenses)					
Foreign exchange gain (loss)		8,001	(3,305)	8,522	(5,943)
Grant income		60,758	-	60,758	-
Interest expense		(4,848)	(8,987)	(13,767)	(24,889)
Interest income		460	-	509	-
Correction of accounts payable		-	-	-	(5,250)
Share of loss on investment in associate		-	(20,039)	-	(43,699)
Gain (loss) on settlement of debt	12,13	(9,492)	-	747,353	-
Unrealized foreign exchange gain (loss)		(92)	-	(92)	-
Unrealized loss on marketable securities	6	(1,433)	(1,433)	(8,958)	(1,791)
Total other income (expenses)		\$ 53,354	\$ (33,764)	\$ 794,325	\$ (81,572)
Net loss and comprehensive loss		\$ (974,964)	\$ (455,533)	\$ (1,050,004)	\$ (823,763)
Net income (loss) and comprehensive income (loss) for the period attributed to:					
Shareholders of the Company		(976,005)	(485,309)	(1,050,838)	(820,150)
Non-controlling interest		1,041	29,776	834	(3,613)
		\$ (974,964)	\$ (455,533)	\$ (1,050,004)	\$ (823,763)
Basic and diluted loss per common share					
		\$ (0.01)	\$ (0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		115,376,216	62,935,584	100,442,996	56,816,724

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

AI/ML Innovations Inc.
Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital	Contributed surplus	Deficit	Total attributed to shareholders of the Company	Non-controlling interest	Total
Balance - May 1, 2023	25,794,801	\$ 5,697,185	\$ (31,739,445)	\$ (247,459)	\$ (32,828)	\$ (280,287)
Common shares issued on private placement of Units	1,454,634	-	-	1,454,634	-	1,454,634
Common shares issued on exercise of warrants	122,500	-	-	122,500	-	122,500
Share issuance costs	(114,300)	59,060	-	(55,240)	-	(55,240)
Share-based payments	-	19,600	-	19,600	-	19,600
Expiration or cancellation of stock options	-	(211,788)	211,788	-	-	-
Net loss and comprehensive loss	-	-	(820,150)	(820,150)	(3,613)	(823,763)
Balance - October 31, 2023	27,257,635	\$ 5,564,057	\$ (32,347,807)	\$ 473,885	\$ (36,441)	\$ 437,444
Balance - May 1, 2024	27,118,501	\$ 6,517,045	\$ (34,807,122)	\$ (1,171,576)	\$ (38,391)	\$ (1,209,967)
Common shares issued on private placement of Units	830,385	616,098	-	1,446,483	-	1,446,483
Common shares issued on exercise of warrants	87,200	(15,466)	-	71,734	-	71,734
Share issuance costs	(213,604)	75,007	-	(138,597)	-	(138,597)
Common shares issued to acquire intangible assets	402,000	-	-	402,000	-	402,000
Common shares issued for services	350,100	-	-	350,100	-	350,100
Common shares issued to settle debt	56,952	-	-	56,952	-	56,952
Expiration or cancellation of stock options	-	(31,400)	31,400	-	-	-
Share-based payments	-	22,084	-	22,084	-	22,084
Net loss and comprehensive loss	-	-	(1,050,004)	(1,050,004)	834	(1,049,170)
Balance - October 31, 2024	28,631,534	\$ 7,183,368	\$ (35,825,726)	\$ (10,824)	\$ (37,557)	\$ (48,381)

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

AI/ML Innovations Inc.
Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the six months ended:	October 31, 2024		October 31, 2023	
OPERATING ACTIVITIES				
Net loss for the period	\$	(1,050,004)	\$	(823,763)
Non-cash items:				
Interest expense		2,493		16,443
Depreciation		10,309		21,026
Foreign exchange gain (loss)		(8,522)		5,943
Share of loss on equity investment		-		43,699
Share-based payments		22,084		19,600
Correction of accounts payable		-		5,250
Unrealized loss on marketable securities		8,958		1,791
Unrealized foreign exchange gain (loss)		92		-
Gain (loss) on settlement of debt		(747,353)		-
Shares for service		350,100		-
Net income attributable to non-controlling interest		834		-
Changes in non-cash working capital items:				
Accounts receivable		7,274		-
Sales tax receivable		(27,034)		10,411
Prepaid expenses		40,442		43,973
Inventory		-		(512)
Accounts payable and accrued liabilities		3,869		(251,959)
Due to related party		2,979		(15,326)
Payroll liabilities		11,535		-
Cash flows used in operating activities	\$	(1,371,944)	\$	(923,424)
INVESTING ACTIVITIES				
Investment in Tech2Heal	\$	-	\$	(325,980)
Net cash used in investing activities	\$	-	\$	(325,980)
FINANCING ACTIVITIES				
Loan repayment		-		(10,000)
Lease payments		(14,276)		(28,130)
Proceeds from exercise of warrants		71,734		122,500
Proceeds from private placement		1,428,251		1,454,634
Share issuance costs		(138,597)		(55,240)
Advance from related party		24,360		-
Repayment of due to related party balances		(94,390)		-
Subscriptions received in advance		1,038,275		-
Net cash provided by financing activities	\$	2,315,357	\$	1,483,764
Increase in cash and cash equivalents during the period	\$	943,413	\$	234,360
Cash and cash equivalents, beginning of period	\$	201,452	\$	4,530
Cash and cash equivalents, end of period	\$	1,144,865	\$	238,890

Supplemental cash flow information (Note 16)

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

1. Nature of Operations

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 a share purchase agreement with Health Gauge 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 consolidated interim financial statements (“Interim Financial Statements”) have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At October 31, 2024, the Company had an accumulated deficit of \$35,816,676 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in material uncertainty that casts significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The Interim Financial Statements of the Company as at and for the three and six months ended October 31, 2024, including comparative information have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in IAS 34 Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented. These Interim Financial Statements do not include all the disclosures required for a complete set of IFRS financial statements. Accordingly, they should be read in conjunction with the last audited annual financial statements and notes thereto for the year ended April 30, 2024 (“annual financial statements”). Selected explanatory notes are included in the Interim Financial Statements to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors on December 30, 2024.

Basis of Presentation

These Interim Financial Statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

These Interim Financial Statements have been prepared on a historical cost basis. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

The Interim Financial Statements of the Company are presented in Canadian dollars, unless otherwise indicated, the reporting currency of the Company.

Basis of Consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in these condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

The entities contained in the Interim Financial Statements are as follows:

Entity Name	Place of business and operations	Functional currency	Equity percentage
AI/ML Innovations Inc. (the “Company”) - parent	Canada	CAD	n/a
Health Gauge Inc.	Canada	CAD	98.56
AI RX Inc.	Canada	CAD	70%
Neuralcloud Solutions Inc.	Canada	CAD	100%

3. Significant Accounting Judgments, Estimates and Assumptions

Significant accounting judgements, estimates and assumptions applied to these Interim Financial Statements are consistent with those applied to the Company’s audited financial statements for the year ended April 30, 2024.

4. Health Gauge Inc. Acquisition

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 generated \$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. During the year ended April 30, 2024, the warrants had expired since the Company was not able to meet the revenue target by the agreed upon date. 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%;

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risk-free interest rate of 3.89%; and an expected life of 0.9 years. As at October 31, 2024, the Company's ownership interest in Health Gauge was 98.5647%.

Summary statement of financial position of Health Gauge is as follows:

	October 31, 2024	April 30, 2024
Cash (cash indebtedness)	\$ (16,745)	\$ 42,277
Other current assets	20,081	37,201
Non-current assets	-	-
Total assets	\$ 3,336	\$ 79,478
Current liabilities	\$ (44,191)	\$ (246,086)
Non-current liabilities	-	(3,479,455)
Net assets (liabilities)	\$ (40,855)	\$ (3,646,063)

Summary statement of loss of Health Gauge for the six months ended October 31, 2024 and the year ended April 30, 2024:

	For the period ended October 31, 2024	For the year ended April 30, 2024
Income (Loss) from operations attributable to shareholders of the Company		
Shareholders of the Company	\$ 57,306	\$ (380,469)
Non-controlling interest	834	(36,371)
Net income (loss) and comprehensive income (loss)	\$ 58,140	\$ (416,840)

Summary statement of cash flow of Health Gauge for the six months ended October 31, 2024 and the year ended April 30, 2024:

	For the period ended October 31, 2024	For the year ended April 30, 2024
Net cash used in operating activities	\$ (50,038)	\$ (385,778)
Net cash provided by financing activities	\$ 17,537	\$ 428,452
Net change in cash	\$ (32,501)	\$ 42,674
Cash (cash indebtedness), beginning of period/year	\$ 15,756	\$ (397)
Cash (cash indebtedness), end of period/year	\$ (16,745)	\$ 42,277

5. Investment in Associate

On September 22, 2021, the Company entered into a share purchase agreement with Tech2Heal SAS ("Tech2Heal"), an arm's length, private technology 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%

As at October 31, 2024, the Company had an 11.11% (April 30, 2024 – 11.11%) interest in Tech2Heal, a company engaged in developing health-based technology. As a result of the Company holding a seat on the

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Board it was determined that the Company exercises significant influence over Tech2Heal and has accounted for its investment in Tech2Heal using the equity method. At April 30, 2024, the Company performed an assessment of indicators of impairment in the investment and recognized an impairment loss of \$1,510,668 as a result of the significant financial difficulty of Tech2Heal. The investment remains fully impaired as at October 31, 2024.

		Amount
Balance as at April 30, 2023	\$	1,238,520
Share of loss on investment in associate (11.11% of net loss)		(125,391)
Remaining payment towards 2.778% additional interest		325,979
Impairment		(1,439,108)
Balance as at April 30, 2024 and October 31, 2024	\$	-

Summary statement of financial position of Tech2Heal is as follows:

	October 31,		2024		April 30, 2024	
Cash	\$	-	\$	54,692		
Other current assets		67,237		132,943		
Non-current assets		903,247		156,256		
Total asset	\$	970,484	\$	343,891		
Current liabilities	\$	(1,383,195)	\$	(1,175,605)		
Net assets (liabilities)	\$	(412,710)	\$	(831,714)		

Summary statement of loss of Tech2Heal for the six months ended October 31, 2024 and the year ended April 30, 2024:

	For the period		ended		For the year		ended	
	October 31, 2024		April 30, 2024		October 31, 2024		April 30, 2024	
Loss from operations	\$	(214,256)	\$	(1,128,634)				
Net loss and comprehensive loss		(214,256)		(1,128,634)				

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 was recorded as an asset acquisition. At the date of acquisition, AI RX Inc. had net assets consisting of 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 October 31, 2024 and the year ended April 30, 2024 there was no activity in the subsidiary.

6. Marketable Securities

On May 20, 2016, the Company received 71,666 common shares of Carolina Rush 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 October 31, 2024 the fair value is as follows:

	October 31, 2024		April 30, 2024	
Opening balance	\$	15,408	\$	10,033
Unrealized gain (loss) on fair value remeasurement		(8,958)		5,375
Ending balance	\$	6,450	\$	15,408

7. Right-of-use Assets and Lease Liabilities

During the three months ended October 31, 2024, the Company entered into a building office lease in the province of British Columbia. The right-of-use asset and corresponding lease liability relates to this office building lease. The lease has an end date of July 7, 2027. The Company used a 9.00% interest rate, its estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement.

Right-of-use assets	Office Building	
Cost		
Balance, May 1, 2024	\$	-
Additions		92,778
Balance, October 31, 2024	\$	92,778
Accumulated Depreciation		
Balance, May 1, 2024	\$	-
Depreciation in the period		10,309
Balance, October 31, 2024	\$	10,309
Carrying value		
Balance, May 1, 2024	\$	-
Balance, October 31, 2024	\$	82,469

As at October 31, 2024 the Company is committed to minimum lease payments as follows:

	October 31, 2024	
Maturity analysis – contractual undiscounted cash flows		
Less than one year	\$	35,001
One to five years		55,418
More than five years		-
Total undiscounted lease liabilities	\$	90,419
Lease liabilities		
Current	\$	(29,091)
Non-current	\$	51,905

During the three months ended October 31, 2024, the Company recognized total interest expense of \$2,493 in connection with its lease liability.

8. Intangible Asset

On August 15, 2024, the Company acquired intangible assets from Naiad Lab Inc. ("Naiad") comprised of proprietary technology and associated intellectual property. Per the terms of the acquisition, the Company paid to Naiad the following:

Purchase price consideration		
Fair value of 6,700,000 common shares issued at \$0.06	\$	402,000
Fair value of 3,000,000 incentive share warrants issued (i)		-
Total purchase price	\$	402,000
Asset acquired		
Intangible assets	\$	402,000
Total amount allocated	\$	402,000

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(i) The incentive share warrants are exercisable into 3,000,000 common shares of the Company with a \$0.00 exercise price subject to the following performance conditions being achieved by June 4, 2025:

- The technology acquired, the Long ECG Neural Net, has formally entered the US FDA approval process; and
- The technology acquired, the Long ECG Neural Net, generates gross revenue of not less than \$1,000,000.

The incentive warrants are recognized in accordance with IFRS 2. The fair value of the warrants will be recognized to intangible assets when the Company determines that the specified non-market performance conditions have been satisfied. At the end of each reporting period, the Company will revise its estimates of the number of incentive warrants that are expected to vest based on the satisfaction of the non-market performance conditions.

As part of the acquisition, the Company also agreed to a streaming royalty (the "Royalty") to Naiad Lab Inc for up to a 20-year period, as per the following terms:

- 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; and
- 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; or
- the Company, at its sole discretion, may purchase the Royalty back from Naiad at any time for \$1,000,000.

9. Accounts Payable and Accrued Liabilities

	October 31, 2024	April 30, 2024
Trade payables	\$ 377,311	\$ 368,450
Accrued liabilities	-	60,000
Interest payable	118,655	112,757
Total accounts payable and accrued liabilities	\$ 495,966	\$ 541,207

During the year ended April 30, 2024, the Company derecognized \$5,250 of payables that passed the British Columbia term for statute of limitations.

10. Loans and Borrowings:

- a) As at October 31, 2024, the Company owes a loan payable in the amount of \$12,220 (April 30, 2024 - \$12,220) to an unrelated party, which is non-interest bearing, unsecured, and with no fixed repayment terms.
- b) As at October 31, 2024, the Company owed a note payable with carrying value of \$117,000 (April 30, 2024 - \$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 three and six month period ended October 31, 2024 was \$2,988 and \$5,937 respectively.

11. Share Subscription Payable

During the six months ended October 31, 2024, the Company collected net proceeds of \$1,020,043 in connection with a non-brokered private placement that had not yet formally closed and where no share units had been issued as at October 31, 2024 (Note 18).

12. Related Party Transactions and Balances

Key management compensation

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:

Nature	Three months ended			
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Management and director fees	\$ 359,360	\$ 39,630	\$ 664,529	\$ 74,130
Professional fees	-	9,000	-	18,000
Salaries, wages, and benefits	14,769	50,544	31,121	106,852
Consulting expense	3,000	65,587	3,000	65,587
Share-based payments	1,688	-	7,173	-
Total	\$ 378,817	\$ 164,761	\$ 705,822	\$ 264,569

During the six months ended October 31, 2024, the Company entered into a debt settlement agreement with a former CFO whereby \$70,000 cash was paid to extinguish all remaining debt. As a result, a gain on settlement of \$756,845 was recorded.

As at October 31, 2024, the following balances were observed to be owing to related parties:

- i) \$18,750 (April 30, 2024 - \$15,750) to the Chief Financial Officer (“CFO”) and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.
- ii) \$22,310 (April 30, 2024 - \$23,157) to the Chief Executive Officer (“CEO”) and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.
- iii) \$1,620 (April 30, 2024 - \$Nil) owing to the spouse of the CFO and director, which is unsecured, non-interest bearing, with no fixed terms of repayment.
- iv) \$Nil (April 30, 2024 - \$8,142) to the former Chief Technology Officer and former director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.
- v) \$3,000 (April 30, 2024 - \$78,674) to the director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

During the six months ended October 31, 2024, the Company earned \$82,101 of license fee revenue from a former related company which has a former common officer and a former common former director and is therefore considered to be a related party. As at October 31, 2024, \$13,813 of this amount was included in accounts receivable.

During the six months ended October 31, 2024, the Company entered into an independent contractor agreement (the “Agreement”) with Moonshot Inc. (“Moonshot”), a Company controlled by the CEO of the

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Company. The CEO's services are rendered through Moonshot. In connection with the Agreement, the Company agreed to pay a monthly CEO fee in addition to various signing and retention bonuses which are payable in cash or common shares of the Company as the discretion of the Company. During the six months ended October 31, 2024, the Company incurred total management fees of \$507,860 to Moonshot, of which \$412,500 is related to signing and retention bonuses as specified in the Agreement. \$312,500 of the \$412,500 was settled through the issuance of 4,583,333 common shares of the Company. The remaining \$100,000 was settled in cash.

13. Share Capital

a) Common Shares

As at October 31, 2024, the Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding common shares	Number of Shares	Amount
Balance at April 30, 2023	44,205,518	\$ 25,794,801
Common shares issued on private placement of units	30,518,545	1,288,556
Common shares issued on exercise of share purchase warrants	1,225,000	122,500
Share issuance costs	-	(184,610)
Common shares issued for services	1,131,134	73,524
Common shares issued to settle of debt	339,000	23,730
Balance at April 30, 2024	77,419,197	\$ 27,118,501
Common shares issued on private placement of units (i),(ii),(iii),(iv)	28,275,000	830,385
Common shares issued on exercise of share purchase warrants (vi)	677,334	87,200
Share issuance costs	-	(213,604)
Common shares issued to acquire intangible assets (Note 8)	6,700,000	402,000
Common shares issued for services (v),(Note 12)	5,333,333	350,100
Common shares issued to settle of debt (vii)	949,200	56,952
Balance at October 31, 2024	119,354,064	\$ 28,631,534

The following share transactions were observed during the six months ended October 31, 2024:

- (i) On July 2, 2024, the Company closed the first tranche of 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 of which \$197,800 was allocated to the warrant portion of the unit and recorded in contributed surplus. 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 July 1, 2027. The Company paid cash commissions of \$29,850 and issued 357,000 broker warrants, which are on the same terms as the warrants forming part of the units.
- (ii) On July 17, 2024, the Company closed the final tranche of 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 of which \$230,175 was allocated to the warrant portion of the unit and recorded in contributed surplus. 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 July 17, 2027. The Company paid cash commissions of \$27,877 and issued 529,550 broker warrants, which are on the same terms as the warrants forming part of the units.
- (iii) On August 19, 2024, the Company 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 of which \$160,823 was allocated to the warrant portion of the unit and recorded in contributed surplus. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to

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purchase one additional common share at \$0.10 expiring August 19, 2026. The Company paid cash commissions of \$18,200 and issued 364,000 broker warrants, which are on the same terms as the warrants forming part of the units.

- (iv) On October 31, 2024, the Company issued 1,000,000 units for gross proceeds of \$65,000. This issuance is part of a larger private placement, which formally closed on November 1, 2024, subsequent to the period ended October 31, 2024 (Note 18). Each unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the to purchase one (1) Warrant Share at a price of \$0.15 per share following the closing date.
- (v) During the period ended October 31, 2024, the Company entered into a finder's agreement with Wonderful Ventures LLC for executive search services. The Company paid cash of \$30,000 and issued 750,000 common shares of the Company with a fair valued of \$37,600.
- (vi) The Company issued 677,334 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$71,734.
- (vii) The Company 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. The common shares were fair-valued at \$56,952 based on the observable market price of the Company's common share on the date of issuance. A loss on settlement of \$9,492 was recognized for the three and six months ended October 31, 2024.

b) Warrants

The Company's warrants outstanding as at October 31, 2024 and the changes for the six months ended October 31, 2024 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at April 30, 2023	13,425,556	\$ 0.05
Issued	31,575,845	0.12
Exercised	(1,225,000)	0.10
Expired	(7,782,808)	0.01
Balance at April 30, 2024	35,993,593	\$ 0.12
Issued (Note 13(a))	32,585,550	0.09
Exercised	(677,334)	0.11
Balance at October 31, 2024	67,901,809	\$ 0.11

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Warrants issued and outstanding as at October 31, 2024 are as follows:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
4,040,414	4,040,414	\$0.10	March 14, 2025	0.37
3,000,000	-	\$0.00	June 4, 2025	0.59
3,141,087	3,141,087	\$0.20	July 12, 2025	0.70
12,995,166	12,995,166	\$0.12 ⁽¹⁾	December 19, 2025	1.13
8,209,000	8,209,000	\$0.10 ⁽⁴⁾	August 19, 2026	1.80
60,000	60,000	\$0.15	October 31, 2026	2.00
1,000,000	1,000,000	\$0.15	November 1, 2026	2.00
9,557,000	9,557,000	\$0.10 ⁽⁵⁾	July 2, 2027	2.67
10,759,550	10,759,550	\$0.10 ⁽⁶⁾	July 17, 2027	2.71
3,983,500	3,983,500	\$0.20 ⁽²⁾	June 8, 2028	3.61
11,156,092	11,156,092	\$0.20 ⁽³⁾	July 4, 2028	3.68
67,901,809	64,901,809	\$0.13		2.17

- (1) 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
- (2) \$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.
- (3) \$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.
- (4) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at \$0.25 for a period of at least 20 consecutive trading days.
- (5) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at \$0.25 for a period of 10 days.
- (6) Subject to the Company's right to accelerate expiry upon 30 days' notice if the shares trade at \$0.25 for a period of at least 30 consecutive trading days.

14. Share-Based Payments

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.

During the three and six months ended October 31, 2024 and 2023, the Company recognized the following share-based payments:

	Three months ended		Six months ended	
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Stock options	\$ 10,737	\$ 19,600	\$ 22,084	\$ 19,600

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a. Stock options

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

	Number of Options	Weighted Average Exercise Price
Balance at April 30, 2023	2,500,000	\$ 0.30
Issued (i),(ii)	1,700,000	0.20
Expired/Cancelled	(1,100,000)	0.42
Balance at April 30, 2024	3,100,000	\$ 0.20
Issued (iii),(iv),(v)	2,300,000	0.20
Expired/Cancelled	(500,000)	0.20
Balance at October 31, 2024	4,900,000	\$ 0.20

- (i) The Company granted 300,000 stock options to a consultant of the Company at an exercise price of \$0.20 per share, exercisable for a period of one year. The options vested immediately.
- (ii) The Company granted an aggregate of 1,400,000 stock options to directors and officers of the Company at an exercise price of \$0.20 per share, exercisable for a period of one year. 300,000 options vested immediately, 100,000 options will vest 50% every six months over one year period and 1,000,000 options will vest 12.5% every three months over 24 months period.
- (iii) The Company granted 1,500,000 stock options to the CEO of the Company at an exercise price of \$0.20 per share, exercisable for a period of 5 years. The options vest and are exercisable when certain market or non-market conditions are met.
- (iv) The Company granted 100,000 stock options to a consultant of the Company at an exercise price of \$0.20 per share, exercisable for a period of 1 year. The options vested immediately.
- (v) Granted an aggregate of 700,000 stock options to employees of the Company at an exercise price of \$0.20 per share. 25% of the options vest immediately on grant date with 25% vesting each year over three years.

The options were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

	Six months ended October 31, 2024	Year ended April 30, 2024
Share price at grant date (\$)	\$0.06	\$0.07
Exercise Price	\$0.20	\$0.20
Expected life (in years)	3.41	1.83
Expected annual volatility	148%	165%
Expected dividend yield	0%	0%
Risk-free interest rate	3.51%	3.29%
Fair-value per warrant	\$0.043	\$0.043

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Stock options outstanding as at October 31, 2024 have the following expiry dates and exercise prices:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
1,100,000	475,000	\$0.20	November 29, 2025	1.08
100,000	100,000	\$0.20	May 15, 2026	1.54
700,000	700,000	\$0.20	April 11, 2027	2.44
500,000	500,000	\$0.20	March 12, 2028	3.36
300,000	300,000	\$0.20	November 29, 2028	4.08
1,500,000	-	\$0.20	May 15, 2029	4.54
700,000	175,000	\$0.20	August 27, 2029	4.82
4,900,000	2,250,000	\$0.20		3.29

15. Financial Instruments

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of the Company's accounts receivable, and accounts payable and accrued liabilities, notes payable, due to related parties and loan 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. The Company's call option is measured at fair value in accordance with level 2 of the fair value hierarchy and at \$Nil.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash and cash equivalents	Fair value through profit and loss
Marketable securities	Fair value through profit and loss
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost
Loans and borrowings	Amortized cost
Payroll liabilities	Amortized cost
Share subscription payable	Amortized cost

Capital and Risk 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' deficiency of \$48,381 (April 30, 2024 – deficiency of \$1,209,967). There are no external restrictions on the Company's capital. There were no changes in the Company's approach to capital management during the period.

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 the therefore management believes credit risk to be minimal. The maximum exposure to credit risk is the aggregate carrying amount of accounts receivable and the Company has recorded an expected credit loss of \$Nil.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements, option exercises and warrant exercises to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options.

Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. The Company has a significant liquidity risk as the Company has a working capital deficiency of \$480,945 (April 30, 2024 - \$1,209,967). The ability of the Company to continue its activities relies upon the support of its suppliers and obtaining additional financing.

The following is an analysis of the contractual maturities of the Company financial liabilities as at October 31, 2024:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payables and accrued liabilities	495,966	495,966	495,966	-	-
Loans and borrowings	129,220	129,220	129,220	-	-
Total	612,966	612,966	612,966	-	-

Taking into consideration the Company's current cash position, the Company continues to review its needs to seek financing opportunities in accordance with its capital structure management strategy.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not carry significant loans and borrowings with variable interest rates therefore management believes interest rate risk is low.

Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency rates or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At October 31, 2024 and April 30, 2024, 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 October 31, 2024, 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 immaterial.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. 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 an immaterial impact on profit or loss.

16. Supplemental Cash Flow Information

The following are non-cash activities that occurred during the six-months period ended October 31, 2024:

	October 31, 2024	October 31, 2023
Fair value of options exercised/cancelled	\$ 31,400	\$ 211,788
Fair value of broker's warrants	75,007	59,060
Recognition of right-of-use asset	92,778	-
Recognition of lease liability	86,594	-
Shares issued for debt	40,680	-
Fair value of unit warrants	616,098	-
Fair value of shares issued to acquire intangible assets	402,000	-
Share issued on prepayment of services	6,780	-

17. Segmented Reporting

Geographic information

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.

Economic dependence

100% of the Company's sales for the period ended October 31, 2024 were from one customer, MedWatch Technologies Inc., a related corporation in which the COO is also an officer.

18. Subsequent Events

- On November 1, 2024, the Company completed the first tranche of a non-brokered private placement and issued 18,688,461 Units for gross proceeds of \$1,214,750. Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common Share of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the holder to purchase one (1) Warrant Share at a price of \$0.15 per share following the closing date.

Finders fees of \$44,070 and 504,000 broker warrants having the same terms as the subscriber warrants were issued.

- On November 26, 2024, the Company completed the final tranche of a non-brokered private placement and issued 24,500,615 Units for gross proceeds of \$1,592,540. Each Unit is comprised of one Common Share and one Warrant which will be exercisable into one (1) Common Share of the Company (each a "Warrant Share"). Each Warrant will have a term of two (2) years and will entitle the holder to purchase one (1) Warrant Share at a price of \$0.15 per share following the closing date, 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.

The Company paid finders fees of \$76,033 and 1,169,737 broker warrants having the same terms as the subscriber warrants were issued in connection with closing of the final tranche.