



Global Wellness Strategies Inc.

Condensed Consolidated Interim Financial Statements

For the six months ended

March 31, 2023

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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

The accompanying unaudited condensed consolidated interim financial statements of Global Wellness Strategies Inc. (“the Company”) for the six months ended March 31, 2023 and March 31, 2022, have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

Global Wellness Strategies Inc.**Condensed Interim Consolidated Statements of Financial Position****(Unaudited – Prepared by management)**

	Note	March 31, 2023 \$	September 30, 2022 \$
Assets			
Current assets			
Prepaid expenses		149,475	297,830
Total assets		149,475	297,830
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities		757,888	721,119
		757,888	721,119
Non-current liabilities			
Loan payable	8	15,967	25,367
Total liabilities		773,855	746,486
Shareholders' deficit			
Share capital	4	34,291,420	34,186,420
Reserves		6,559,158	6,559,158
Share subscriptions receivable		-	(136,000)
Commitment to issue shares		785,206	785,206
Deficit	3	(42,260,164)	(42,262,924)
Total shareholders' deficit		(624,380)	(448,656)
Total liabilities and shareholders' deficit		149,475	297,830
Nature of operations and going concern	1		
Contingency	11		
Events after the reporting period	3,12		

Approved on behalf of the Board of Directors on April 17, 2023:

"Meris Kott"

Director

"Lindsey Perry Jr."

Director

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

Global Wellness Strategies Inc.**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit****(Expressed in Canadian Dollars)**

	Number of shares #	Share capital \$	Reserves \$	Subscriptions received in advance \$	Share Subscriptions Receivable \$	Commitment to issue shares \$	Deficit \$	Total shareholders' deficit \$
October 1, 2021	22,266,906	31,261,218	6,559,158	45,050	-	2,092,068	(40,474,713)	(517,219)
Private placement units issued	2,561,112	461,000	-	(145,050)	(316,000)	-	-	(50)
Shares issued for services	1,651,667	392,500	-	-	-	-	-	392,500
Shares issued for debt	416,667	75,000	-	-	-	-	-	75,000
Subscriptions received in advance	-	-	-	100,000	-	-	-	100,000
Loss and comprehensive loss for the period	-	-	-	-	-	-	(528,750)	(528,750)
March 31, 2022	26,896,352	32,189,718	6,559,158	-	(316,000)	2,092,068	(41,003,463)	(478,519)
October 1, 2022	37,567,686	34,186,420	6,559,158	(136,000)	-	785,206	(41,843,440)	(448,656)
Subscriptions received in advance	(555,556)	(100,000)	-	136,000	-	-	-	36,000
Shares issued for debt	2,050,000	205,000	-	-	-	-	-	205,000
Loss and comprehensive loss for the period	-	-	-	-	-	-	(416,725)	(416,725)
March 31, 2023	39,062,130	34,291,420	6,559,158	-	-	785,206	(42,260,165)	(624,381)

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

Global Wellness Strategies Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Unaudited – Prepared by management)**

		Three months ended		Six months ended	
	Note	March 31, 2023	March31, 2022	March 31, 2023	March31, 2022
		\$	\$	\$	\$
Expenses					
Bank charges		578	759	1,132	1,140
Interest expense	8	1,924	262	3,848	1,012
Consulting	4,6	222,733	36,615	359,091	186,615
Investor relations and marketing		-	52,500	-	52,500
Office and rent		-	11,517	-	11,517
Professional fees	6	14,808	11,025	14,808	57,050
Travel		-	13,285	-	13,285
Regulatory and filing		23,727	2,363	36,089	53,743
Loss from operating expenses		(263,770)	(128,326)	(414,968)	(376,862)
Gain (loss) on debt settlement	4	-	(22,476)	-	(172,476)
Gain (loss) on settlement of accounts payable		-	21,393	-	21,393
Foreign exchange gain (loss)		(358)	(792)	(1,757)	(805)
Loss and comprehensive loss for the period		(264,128)	(130,201)	(416,725)	(528,750)
Loss per share					
Weighted average number of common shares outstanding					
- Basic #	5	39,098,488	23,201,946	38,324,676	23,201,946
- Diluted #	5	39,098,488	23,201,946	38,324,676	23,201,946
Basic loss per share \$	5	(0.01)	(0.01)	(0.01)	(0.02)
Diluted loss per share \$	5	(0.01)	(0.01)	(0.01)	(0.02)

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

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

	Note	March 31, 2023 \$	March 31, 2022 \$
Operating activities			
Loss for the period		(416,725)	(528,750)
Adjustments for:			
Share-based payments		-	-
Shares issued for services		205,000	392,500
Accrued interest		-	(1,537)
Net change in non-cash working capital items	8	207,125	24,126
		(4,600)	(113,661)
Financing activities			
Proceeds from loan payable		4,600	-
Subscriptions received in advance		-	99,950
		4,600	99,950
Net change in cash		-	(13,711)
Cash, beginning of period		-	25,628
Cash, end of period		-	11,917

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

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

1. Nature of operations and going concern

Global Wellness Strategies Inc.(the “Company”) was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to British Columbia on January 30, 2006. The Company’s shares are publicly traded on the Frankfurt Exchange, OTCQB and Canadian Stock Exchange (the “CSE”) under the symbol “GWS”.

On August 2, 2018, the Company completed a change of business and corporate name change to become a merchant bank focused on medical cannabis non-THC, CBD and hemp in both Canada and the United States. The head office, principal address and records office of the Company are located at 1100 - 1111 Melville St Vancouver, British Columbia V6E 3V6.

These condensed interim consolidated financial statements (the “financial statements”) have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2023, the Company is not able to finance day-to-day activities through operations and continues to incur losses. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings and loans from directors and companies controlled by directors. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its condensed consolidated interim statement of financial position.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s annual audited consolidated financial statements for the year ended September 30, 2022, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars, which is the functional currency of the Company. See note 2(b) for functional currency details of the Company’s subsidiaries.

2. Significant accounting policies (continued)

(b) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status	Functional Currency	Ownership Percentage
Ultra Invest Canada Inc. ("Ultra Invest")	Canada	Inactive	Canadian	100%
Ona Power Oil & Gas Corp ("Ona")	United States	Inactive	US Dollar	100%
Shanti Therapeutics PTY Ltd. ("Shanti")	Australia	Inactive	Australian	100%
KaleidoMyco, LLC ("KM")	United States	Inactive	US Dollar	51%

(c) Future changes in accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after October 1, 2022. The Company has reviewed these updates and determined that none these updates are applicable or consequential to the Company and have been excluded from discussion within significant accounting policies.

3. Acquisitions and investments

KaleidoMyco, LLC (“KM”)

On April 5, 2021, and as amended on September 24, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement and an Agreement Amendment (collectively the “Purchase Agreement”) with KM, a private Florida, United States company, whereby the Company would purchase all the membership interest in KM in one tranche representing a 51% membership interest and the second tranche representing a 49% membership interest. There were no specified assets acquired.

In consideration for the purchase of the assets and membership interests, the Company shall pay KM the following:

- A. \$850,000 (“Purchase Price”) in common shares of the Company.
- B. Bonus of \$2,500,000 in common shares of the Company if the assets realize \$2,000,000 in revenues in year two following closing.

The Purchase Price shall be tendered as follows:

- (i) \$437,500 in common shares upon closing, payable in two instalments representing a 51% of membership interest as follows:
 - a. \$87,500 in common shares (350,000 shares issued) with a fair value of \$58,040 upon signing of definitive agreement;
 - b. \$350,000 in common shares (1,400,000 shares issued) with a fair value of \$232,159.
- (ii) \$412,500 in common shares for the remaining 49% of the membership interest and has been recorded as a commitment to issue shares.

Earn-Out Consideration:

As part of the consideration paid, the Company is required to issue additional common shares to KM upon the satisfaction of provisions applicable to one earn-out consideration (the “Earn-Out”). As follows:

- Earn-Out: The Company is required to issue \$2,500,000 in common shares with a grant date fair value of \$85,955 recorded as a commitment to issue shares, upon KM realizing \$2,000,000 in revenues in year two following closing or if KM is granted a formula products patent.

The Earn-Out is payable if, and only if, the applicable target has been met. The Earn-Out was recognized on the acquisition date as contingent consideration. The measurement of contingent consideration is impacted by estimated probabilities and the likelihood that the target will be met, which is payable in common shares, if such target is met. This estimated probability is subjective and is significantly impacted by various factors as of the acquisition date. As of the acquisition date, September 30, 2021, the Company estimated 5% probability of the Earn-Out being met and estimated fair value is determined to be \$85,955. The Earn-Out is accounted for under IFRS 2 – Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as KM does not meet the definition of a business under *IFRS 3, Business Combinations*.

3. Acquisitions and investments (continued)

KaleidoMyco, LLC (“KM”) (continued)

In accordance with *IFRS 2 – Share based payments*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:	
1,750,000 common shares at \$0.17 per share	\$ 290,199
Commitment to issue shares	284,561
Contingent consideration	85,955
Total consideration	660,715

During the year ended September 30, 2021, the Company recorded the consideration paid as share-based payments in the total amount of \$660,715.

The shares to the shareholders of KM are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

Shanti Therapeutics PTY Ltd. (“Shanti”)

On September 27, 2021, the Company signed a Share Purchase Agreement to acquire 100% interest in Shanti Therapeutics Pty Ltd. (“Shanti”), which is focused on psychedelic MDMA-based drug development research. There were no specified assets acquired.

In consideration for the acquisition, the Company shall pay the following:

- A. \$2,500,000 (“Shanti Purchase Price”) in common shares with a grant date fair value of \$1,890,195; and
- B. Contingent consideration of \$2,500,000 in common shares with a grant date fair value of \$414,690 recorded as commitment to issue shares, based on certain performance measures.

The Shanti Purchase Price shall be tendered as follows:

- (i) \$2,500,000 in common shares upon closing, payable in 4 instalments representing a 100% of interest as follows:
 - a. \$625,000 in common shares (3,472,222 shares issued) upon signing of definitive agreement;
 - b. \$625,000 in common shares on or before February 28, 2022 (2,500,000 shares issued) (Note 4);
 - c. \$625,000 in common shares on or before March 22, 2022 (2,500,000 shares) (Note 4); and
 - d. \$625,000 in common shares on or before April 20, 2022 (2,083,334 shares issued) (Note 4).

Contingent consideration:

As part of the consideration paid, the Company will issue common shares to Shanti upon the satisfaction of provisions applicable to four earn-out considerations (collectively the “Shanti Earn-Outs”). As follows:

- First Earn-Out: \$625,000 in common shares upon the establishment of a medical advisory board and scientific board;
- Second Earn-Out: \$625,000 in common shares upon the proof of concept trial registered with the trial authority;
- Third Earn-Out: \$625,000 in common shares upon the clinical trial notification granted; and
- Fourth Earn-Out: \$625,000 in common shares upon the ethics approval.

3. Acquisitions and investments

(continued) Shanti Therapeutics

PTY Ltd. (“Shanti”)

The Shanti Earn-Outs are payable if, and only if, applicable targets have been met. The measurement of the Shanti Earn-Outs is impacted by estimated probabilities and the likelihood that these items will be met, which is payable in common shares, if such targets are met. These estimated probabilities are subjective and are significantly impacted by various factors as of the acquisition date.

As of the acquisition date and September 30, 2021, the Company estimated the fair value of the First Shanti Earn-Out at \$262,292 with a 60% probability of the target being met, the fair value of the Second Shanti Earn-Out at \$87,247 with a 20% probability of the target being met, the fair value of the Third Shanti Earn-Out at \$43,493 with a 10% probability of the target being met, and the fair value of the Fourth Shanti Earn-Out at \$21,658 with a 5% probability of the target being met.

As at September 30, 2021, the estimated fair value of the Shanti Earn-Outs was determined to be \$414,690. The Shanti Earn-Out is accounted for under IFRS 2-Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as Shanti does not meet the definition of a business under *IFRS 3, Business Combinations*.

In accordance with *IFRS 2*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:		
3,472,222 common shares at \$0.17 per share	\$	583,333
Commitment to issue shares		1,306,862
Contingent consideration		414,690
Total consideration	\$	2,304,885

The common shares are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

4. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited preferred shares without par value. No preferred shares have been issued.

Transactions for the issue of share capital during the six months ended March 31, 2023:

On January 20, 2023, the Company issued 2,050,000 common shares pursuant to consulting agreements being settled for shares; the aggregate value of the shares was \$205,000.

On March 17, 2023, 555,556 shares were returned to Treasury.

Transactions for the issue of share capital during the six months ended March 31, 2022:

On October 14, 2021, the Company issued 1,360,000 common shares with a fair value of \$340,000 as settlement of debt pursuant to services rendered. In connection with the shares issued for debt, the Company recognized a loss on debt settlement in an amount of \$175,000

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

Stock options

The Company has adopted a stock option plan (the “Plan”) whereby the Company may from time to time grant to directors, Officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company’s common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

As at March 31, 2023 the Company has stock options outstanding and exercisable as follows.

	Period ended March 31, 2023		Year ended September 30, 2022	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	716,250	0.35	716,250	0.35
Granted	-	-	-	-
Expired/cancelled	-	-	-	-
Options outstanding, end of period/year	716,250	0.35	716,250	0.35

Stock options

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
75,000	75,000	0.68	September 6, 2024
25,000	25,000	0.68	November 19, 2024
328,750	328,750	0.32	May 14, 2025
37,500	37,500	0.32	May 20, 2025
250,000	250,000	0.255	February 24, 2026
716,250	716,250		

The following table summarizes information about the stock options outstanding as at March 31, 2023:

Number of options outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$
716,250	3.06	0.35

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at March 31, 2023 and September 30, 2022, and changes during the period/year then ended is as follows:

	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	3,269,446	-	3,269,446	0.30
Warrants cancelled	(555,556)	-	-	-
Private placement warrants expired	-	-	-	0.30
Warrants outstanding, end of period/year	2,703,890	-	3,269,446	-

Restricted Share Unit

In August 2022, the Company adopted a 10% rolling restricted share unit plan ("RSU Plan") which reserves for the grant of RSUs to a maximum of 10% of the issued and outstanding common shares. The RSU Plan is a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

No RSUs have been granted as of April 17, 2023.

5. Loss per share

The calculation of basic and diluted loss per share for the six months ended March 31, 2023 was based on the loss attributable to common shareholders of \$416,725 (2022 - \$528,750) and a weighted average number of common shares outstanding of 38,324,676 (2022 – 23,201,946).

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

6. Related party payables and transactions

A number of key management personnel and directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the six months ended March 31, 2023 or March 31, 2022.

Meris Kott, the Company's President and CEO receives a monthly consulting fee and incentive stock options. All other key management personnel and directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days notice. Key management personnel and directors participate in the Company's stock option plan.

No Stock options were granted during the six months ended March 31, 2023 and March 31, 2022.

The Company transacted with the following related party:

- 1060606 BC Ltd. ("106 BC Ltd.") is a consulting firm over which the CEO of the Company has significant influence and ownership. Charges are for consulting, travel, office rent and administration.

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	March 31, 2023 \$	March 31, 2022 \$	March 31, 2023 \$	September 30, 2022 \$
106 BC Ltd.				
- consulting services	-	30,000	89,991	89,991
Meris Kott	66,612	-	96,312	29,750
	66,612	30,000	186,303	119,741

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Consulting and travel expenses

- Includes Meris Kott fee related to consulting, administrative and travel related expenses.

7. Supplemental cash flow information

Changes in non-cash operating working capital during the six months ended March 31, 2023 and March 31, 2022 were comprised of the following:

	March 31, 2023 \$	March 31, 2022 \$
Accounts payable and accrued liabilities	(36,769)	(11,647)
Net change	(36,769)	(11,647)

During the six months ended March 31, 2023 and March 31, 2022 there were no non-cash financing or operating activities, additionally, no amounts paid on account of interest or income taxes.

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

8. Loan Payable

On May 15, 2022, the Company signed an unsecured Balloon Promissory Note (the “Loan”) with an arm’s length party, whereby the Company received an amount of \$24,992. The Loan bears interest at 4% annually and is due on May 15, 2024 (the “Maturity Date”). Following the Maturity Date, both principal and accrued interest shall bear interest at the rate of 8% annually. The Loan may be repaid at any time in whole or in part without penalty. The loan has been repaid. As at March 31, 2023, the total Loan payable was Nil.

On December 15, 2022, the Company signed an unsecured Balloon Promissory Note (the “Loan”) with an arm’s length party, whereby the Company received an amount of \$22,000. A further advance of \$4,600 was received during the six months ended March 31, 2023. The Loan bears interest at 4% annually and is due on December 15, 2024 (the “Maturity Date”). Following the Maturity Date, both principal and accrued interest shall bear interest at the rate of 8% annually.

9. Financial risk management

Capital management

The Company is a merchant bank and considers items included in shareholders' equity (deficit) as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company’s capital structure as at March 31, 2023 is comprised of shareholders' deficit of \$627,140 (September 30, 2022 - \$448,656). There were no changes to the Company’s management of capital during the six months ended March 31, 2022.

The Company currently has no source of revenues except for interest received from convertible loans. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to borrow or raise additional financing from equity markets.

Financial instruments - fair value

The Company’s financial instruments consist of cash, accounts payable and accrued liabilities, and loan payable.

The carrying value of accounts payable and accrued liabilities and loan payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Global Wellness Strategies Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited – Prepared by management)

For the six months ended March 31, 2023 and March 31, 2022

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, foreign exchange risk, and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

b) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

c) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

11. Contingency

On January 11, 2023, the Company was served a small claims Notice of Claims from an audit firm. The Company responded to the court that it plans on disputing the claims.

On April 3, 2023, the Company received a revocation of the MCTO upon the filing of its Annual Financial Reports and additionally filing its Interim Report for the period ended December 31, 2022.

12. Events after the reporting period

On April 10, 2023, the Company issued 4,192,591 common shares for debt settlements @.08 for a value of \$335,407.28 to its CEO and consultants. The Company also issued 5,150,000 common shares at \$0.08 per share for a value of \$412,000 in consideration of an asset payment for the 100% acquisition of KaleidoMyco LLC.