MEDBRIGHT AI INVESTMENTS INC.

(formerly Vinergy Capital Inc.)

Consolidated Financial Statements

Years Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars)

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OLAYINKA OYEBOLA & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Medbright AIs Investments, Inc

Opinion

We have audited the consolidated financial statements of Medbright AI Investments, Inc. (the "Company") which comprise the consolidated statements of financial position as at February 29, 2024 and the consolidated statements of operation and comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statement of Medbright AI Investments, Inc for the year ended February 28, 2024, were audited by another auditor who expressed an unmodified opinion on those statement on June 29, 2023

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Olayinka Oyebola

/s/ Olayinka Oyebola
OLAYINKA OYEBOLA & CO
CHARTERED ACCOUNTANTS
Lagos, Nigeria
June 28, 2024

MEDBRIGHT AI INVESTMENTS INC.

(formerly Vinergy Capital Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	February 29, 2024 $	February 28, 2023 $
Assets		
Current assets		
Cash and cash equivalents	1,587,741	17,874
Accrued interest receivable (Note 3)	24,291	7,911
Prepaid expenses	172,065	21,249
Due from related party (Note 7)	–	15,000
Total current assets	1,784,097	62,034
Non-current assets		
Convertible debenture (Note 3)	144,083	132,624
Investments (Note 4)	3,201,495	1,473,855
Loan receivable (Note 4)	1,043,895	–
Total non-current assets	4,389,473	1,606,479
Total assets	6,173,570	1,668,513
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 7)	260,373	1,122,655
Loans payable (Note 6)	–	235,000
Total liabilities	260,373	1,357,655
Shareholders' equity		
Share capital (Note 8)	18,900,544	6,992,528
Warrant reserve (Note 8)	1,613,346	865,762
Share-based payment reserve (Note 10)	1,173,443	1,068,798
Equity component of convertible debt	176,251	176,251
Deficit	(15,950,387)	(8,792,481)
Total shareholders' equity	5,913,197	310,858
Total liabilities and shareholders' equity	6,173,570	1,668,513

Nature of operations and continuance of business (Note 1)
Commitments (Notes 6 and 14)
Subsequent event (Note 8)

Approved and authorized for issuance by the Board of Directors on June 28, 2024:

/s/ "Christopher Cherry"	*/s/ "Jaime Gerber"*
Christopher Cherry, Director	Dr. Jaime Gerber, Director

(The accompanying notes are an integral part of these consolidated financial statements)

MEDBRIGHT AI INVESTMENTS INC.
(formerly Vinergy Capital Inc.)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended February 29 2024 $	Year ended February 28 2023 $
Investment income		
Interest income	36,625	8,899
Realized gain (loss) on sale of investments (Note 4)	(902,589)	99,387
Unrealized loss on fair value of investments (Note 4)	(5,672,123)	(135,991)
Total investment loss	(6,538,087)	(27,705)
Operating expenses		
Consulting fees (Note 7)	657,216	321,367
Foreign exchange	11,417	–
General and administrative	65,226	8,302
Investor relations	81,598	–
Marketing	190,935	–
Professional fees	266,247	38,646
Share-based payments (Notes 7 and 10)	104,645	–
Transfer agent and filing fees	44,723	18,078
Travel	10,489	–
Total operating expenses	1,432,496	386,393
Loss before other items	(7,970,583)	(414,098)
Other items		
Accretion of discount on convertible debenture (Note 3)	11,459	5,604
Interest expense	(53,633)	(50,942)
Loss on debt settlement (Note 8)	(25,000)	–
Premium on convertible debenture (Note 3)	–	(22,980)
Write-off of accounts payable (Note 6)	644,851	52,195
Write-off of loans payable (Note 6)	235,000	–
Total other items	812,677	(16,123)
Net loss for the year	(7,157,906)	(430,221)
Loss per share, basic and diluted	(0.11)	(0.02)
Weighted average common shares outstanding	65,963,607	21,022,108

(The accompanying notes are an integral part of these consolidated financial statements)

MEDBRIGHT AI INVESTMENTS INC.
(formerly Vinergy Capital Inc.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital		Share subscriptions receivable	Warrant reserve	Share-based payment reserve	Equity component of convertible debt	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$	$	$	$
Balance, February 28, 2022	21,051,330	7,041,028	(50,000)	867,262	1,068,798	176,251	(8,362,260)	741,079
Units cancelled	(66,667)	(48,500)	50,000	(1,500)	–	–	–	–
Net loss for the year	–	–	–	–	–	–	(430,221)	(430,221)
Balance, February 28, 2023	20,984,663	6,992,528	–	865,762	1,068,798	176,251	(8,792,481)	310,858
Private placement	30,244,887	2,561,603	–	937,374	–	–	–	3,498,977
Share issue costs – cash	–	(278,778)	–	–	–	–	–	(278,778)
Share issue costs – agent's warrants	–	(136,627)	–	136,627	–	–	–	–
Shares issue costs – shares	150,000	–	–	–	–	–	–	–
Exercise of warrants	19,090,000	1,530,844	–	(385,444)	–	–	–	1,145,400
Debt settlement	2,500,000	90,973	–	59,027	–	–	–	150,000
Shares issued for acquisition of investment	37,000,005	8,140,001	–	–	–	–	–	8,140,001
Share-based payments – stock options	–	–	–	–	104,645	–	–	104,645
Net loss for the year	–	–	–	–	–	–	(7,157,906)	(7,157,906)
Balance, February 29, 2024	109,969,555	18,900,544	–	1,613,346	1,173,443	176,251	15,950,387	5,913,197

(The accompanying notes are an integral part of these consolidated financial statements)

MEDBRIGHT AI INVESTMENTS INC.
(formerly Vinergy Capital Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended February 29 2024 $	**Year ended February 28 2023 $**
Operating activities		
Net loss for the year	(7,157,906)	(430,221)
Items not involving cash:		
Accretion of discount	(11,459)	(5,604)
Loss on debt settlement	25,000	–
Interest expense	53,633	–
Interest income	(36,625)	–
Premium on convertible debenture	–	22,980
Realized loss (gain) on sale of investments	902,589	(99,387)
Share-based payments	104,645	–
Unrealized loss on fair value of investments	5,672,123	135,991
Write-off of accounts payable	(644,852)	(52,195)
Write-off of loans payable	(235,000)	–
Changes in non-cash operating working capital:		
Accrued interest receivable	–	(7,911)
Amounts receivable	–	–
Due from related party	15,000	(15,000)
Prepaid expenses	(150,816)	(1,112)
Accounts payable and accrued liabilities	(190,577)	55,142
Net cash used in operating activities	(1,654,245)	(397,317)
Investing activities		
Proceeds from sale of investments	573,052	799,630
Purchase of convertible debenture	–	(150,000)
Purchase of investments	(690,888)	(1,530,536)
Loan receivable	(1,023,651)	–
Net cash used in investing activities	(1,141,487)	(880,906)
Financing activities		
Proceeds from shares issued and share subscriptions received	4,644,377	–
Share issuance costs – cash	(278,778)	–
Net cash provided by financing activities	4,365,599	–
Change in cash and cash equivalents	1,569,867	(1,278,223)
Cash and cash equivalents, beginning of year	17,874	1,296,097
Cash and cash equivalents, end of year	1,587,741	17,874
Cash and cash equivalents consist of:		
Cash in bank	1,587,188	12,184
Cash in brokerage account	478	5,690
Cash in legal trust account	75	–
Total cash and cash equivalents	1,587,741	17,874

Supplemental cash flow information (Note 11)

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Continuance of Business

Medbright AI Investments Inc. formerly known as Vinergy Capital Inc. (the “Company”) was incorporated as Vanguard Investments Corp. on March 20, 2001 under the provisions of the Alberta Business Corporations Act. On May 10, 2011, the Company changed its name to Vinergy Resources Ltd. and continued the Company’s registered jurisdiction from Alberta to British Columbia. On July 9, 2019, the Company changed its name to Vinergy Cannabis Capital Inc. On March 9, 2021, the Company changed its name to Vinergy Capital Inc. The Company’s head office is located at Suite 1000, 409 Granville Street, Vancouver, BC, V6C 1T2 and its shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “VIN”. During the year ended February 29, 2020, the Company became an investment issuer.

On November 7, 2023, the Company changed the name to ‘Medbright AI Investments Inc.’. The Company commenced trading on CSE under the new trading symbol “MDAI” on November 9, 2023.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended February 29, 2024, the Company incurred negative cash flow from operations. As at February 29, 2024, the Company has a working capital of $1,523,724 and an accumulated deficit of $15,950,387 since inception and expects to incur further losses in the development of its business. The Company is also in default for certain loans payable. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that with its current cash and other funds that may be obtained from external financing that it has sufficient working capital to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material Accounting Policies

(a) Basis of Presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The Company has determined that it meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements (“IFRS 10”), and accordingly all investments have been recorded as investments at fair value through profit or loss. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. The functional currency of the US subsidiaries is the US dollar.

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(a) Basis of Presentation (continued)

Basis of consolidation

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As an investment entity, the Company is required to account for its investments in subsidiaries at fair value through profit or loss rather than by consolidation.

When an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities, it shall consolidate that subsidiary in accordance with paragraphs 19–26 of this IFRS and apply the requirements of IFRS 3 to the acquisition of any such subsidiary. The Company has consolidated the following subsidiaries as at February 29, 2024.

			Percentage of ownership	
	Country	Status	2024	2023
Vinergy Acquisition Corp.	United States	Inactive	100%	–
Vinergy Licensing Corp.	United States	Inactive	74%	–

On October 6, 2023, the Company incorporated Vinergy Acquisition Corp., under the laws of the State of Delaware.

On October 6, 2023, the Company incorporated Vinergy Licensing Corp., under the laws of the State of Delaware.

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

The following are criteria within IFRS 10 – Consolidated Financial Statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company meets the criteria required to be considered an “investment entity” under IFRS 10 and as such, in the cases where the Company has control or significant influence over a company in its investment portfolio, the Company values such investments as financial assets at FVTPL.

2. Material Accounting Policies (continued)

(b) Significant Estimates and Judgments

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant estimates

Estimates and assumptions where there is significant risk of material adjustments to the consolidated statements of financial position in future accounting periods include the recoverability and measurement are as follows:

Valuation of investments

Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each investment and is determined on an average cost basis. The Company classifies its investments as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss. The fair value of the Company's investments as at the financial reporting date are determined as follows: Common shares in quoted companies – All securities listed on a recognized public stock exchange are generally valued at their last bid price. Options and warrants – The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as market value of the underlying security, strike price, volatility and expected life. Investments in private companies and other investments – When the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value.

Significant judgments

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Investment entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

2. Material Accounting Policies (continued)

(c) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash and cash equivalents	Amortized cost
Accrued interest receivable	Amortized cost
Due from related party	Amortized cost
Convertible debenture	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

2. Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Valuation of investments

Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each investment and is determined on an average cost basis excluding transaction costs. The Company classifies its investments as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial Assets (continued)

Determination of fair value (continued)

At the end of each reporting period, management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements:

i. Common shares which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the end of the reporting period or the closing trade price on the last day the security traded if there were no trades at the end of the reporting period. These are included in Level 1 of the fair value hierarchy.

ii. For options, warrants and conversion features of debentures which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used. Valuation models such as Black-Scholes are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at the date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security based on historical volatility. These are included in Level 2 of the fair value hierarchy.

iii. When the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, a degree of judgment and assumptions provided by management is required in establishing fair values. Judgments include consideration of inputs such as credit risk, discount rates, volatility, probability of certain triggering events, and share price of private company borrowers. Changes in assumptions relating to these factors could affect the reported fair value of the financials instruments. These are included in Level 3 of the fair value hierarchy.

Private company investments

The determination of fair value of the Company’s privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

The use of the valuation approaches described below may involve uncertainties and determinations based on management’s judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

2. Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial Assets (continued)

Determination of fair value (continued)

Private company investments (continued)

The fair value of a privately held investment may be adjusted if:

i. There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

ii. There have been significant corporate, political, or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.

iii. The investee company is placed into receivership or bankruptcy.

iv. Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

v. Release by the investee company of positive/negative operational results; and

vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be currently disposed of may differ from the carrying value assigned.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

2. Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial Liabilities and Equity Instruments (continued)

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Material Accounting Policies (continued)

(e) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(f) Accounting Standards Issued But Not Yet Effective

The following new standards and amendments are not yet effective and have not been applied in preparing these consolidated financial statements. The Company does not expect the adoption of this standard to have a significant impact on the consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

The following new standard was adopted during the year:

Disclosure of accounting policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments)

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements. Management reviewed the accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

3. Convertible Debenture

On September 8, 2022, the Company purchased a $150,000 secured convertible debenture from LEEF Brands Inc. ("LEEF") (formerly Icanic Brands Company Inc.). The debenture will bear interest at 11% per annum with a maturity date of 2 years from the date of issuance. The principal amount is convertible, at the option of the holder, in whole or in part, at any time following the issue date but on or before maturity, into units of LEEF at $0.10 per unit. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of LEEF at a price of $0.15 per share for a period of 2 years from the date of conversion.

The fair value of the convertible debenture was determined to be $127,020 using a net present value calculation assuming a discount rate of 20% per annum. The Company will record accretion of the discount of $22,980 over the term of the debenture.

During the year ended February 29, 2024, the Company recognized accretion of the discount of $11,459 (2023 – $5,604), increasing the carrying value to $144,083 (2023 – $132,624) as at February 29, 2024. As at February 29, 2024, the Company has accrued interest receivable of $24,291 (2023 – $7,911).

4. Investments

Investments are recorded at their estimated fair value at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies will be based upon management's judgement and different valuation techniques. The fair value of share purchase warrants of public companies are valued using the Black-Scholes option pricing model.

(Expressed in Canadian dollars)

4. Investments (continued)

Details of the Company's investments are as follows:

	Note	Number of common shares held	Investment Cost at February 29, 2024 $	Fair Value at February 28, 2023 $	Additions $	Dispositions $	Net change $	Fair value February 29, 2024 $
Public company:								
Anonymous Intelligence Company Inc.		–	–	–	64,152	(75,500)	11,348	–
Beyond Minerals Inc.		–	–	–	17,500	(19,875)	2,375	–
Bitcoin Well Inc.		–	–	70,000	–	(89,290)	19,290	–
Everyday People Financial Corp.		–	–	–	30,000	(33,805)	3,805	–
Horizon Copper Corp.		–	–	–	75,640	(75,360)	(290)	–
Lithium One Metals Inc.		–	–	180,000	22,300	(129,992)	(72,308)	–
Mydecine Innovations Group Inc.		–	–	–	36,000	(16,000)	(20,000)	–
New Energy Metals Corp.		–	–	207,500	–	(10,000)	(197,500)	–
Netramark Holdings Inc.	(a)	840,000	272,279	220,000	136,660	–	(96,260)	260,400
Skylight Health Group Inc.		–	–	44,000	–	(20,752)	(23,248)	–
SPOD Lithium Corp.		–	–	45,000	–	(36,799)	(8,201)	–
Ultra Lithium Inc.		–	–	45,000	–	(26,579)	(18,421)	–
Private companies:								
CWE European Holdings Inc.	(a)	1,250,000	150,000	150,000	–	–	–	150,000
First Person Ltd.	(a)	50,000	175,000	340,225	–	–	–	340,225
Healthcare Accretion Group Inc.	(b)	4,933,334	8,184,516	–	8,184,516		(6,084,516)	2,100,000
Mentorhead Incorporated	(a)	100,000	308,626	–	308,626	–	–	308,626
Share purchase warrants		–	–	172,130	–	(39,100)	(90,786)	42,244
		7,358,334	9,017,951	1,473,855	8,875,394	(573,052)	(6,574,712)	3,201,495

During the year ended February 29, 2024, the Company disposed of certain investments for total proceeds of $573,052 and realized a loss of $902,589 and had an unrealized loss on investments of $5,672,123, these amounts are included in net change as noted above.

(Expressed in Canadian dollars)

4. Investments (continued)

	Note	Number of common shares held	Investment Cost at February 28, 2023 $	Fair Value at February 28, 2022 $	Additions $	Dispositions $	Net change $	Fair value February 28, 2023 $
Public companies:								
Bitcoin Well Inc.	(a)	2,000,000	500,000	260,000	–	–	(190,000)	70,000
Lithium One Metals Inc.	(a)	300,000	96,511	–	96,511	–	83,489	180,000
New Energy Metals Corp.	(a)	500,000	143,386	–	143,386	–	64,115	207,500
Nurosene Health Inc.	(a)	400,000	135,619	36,380	100,254	–	83,366	220,000
Palladium One Mining Inc.		–	–	–	24,000	(18,732)	(5,268)	–
Prospera Energy Inc.		–	–	–	148,950	(153,575)	4,625	–
Skylight Health Group Inc.	(a)	400,000	356,780	–	356,780	–	(312,780)	44,000
Southern Energy Corp.		–	–	–	162,377	(173,214)	10,837	–
SPOD Lithium Corp.	(a)	300,000	84,119	–	84,119	–	(39,119)	45,000
The Lion Electric Company		–	–	–	199,896	(157,866)	(42,030)	–
Trillion Energy International Inc.		–	–	–	155,000	(231,160)	76,160	–
Ultra Lithium Inc.	(a)	500,000	49,244	–	59,265	(10,524)	(3,741)	45,000
Private companies:								
CWE European Holdings Inc.	(a)	1,250,000	150,000	150,000	–	–	–	150,000
First Person Ltd.	(a)	50,000	175,000	316,925	–	–	23,300	340,225
Share purchase warrants		–	–	16,248	–	(54,560)	210,442	172,130
		5,700,000	1,690,659	779,553	1,530,536	(799,630)	(36,604)	1,473,855

Notes:

(a) The Company owns less that 10% interest in the investee as at February 29, 2024 and February 28, 2023
(b) The Company owns 49.33% interest in the investee as at February 29, 2024

During the year ended February 28, 2023, the Company disposed of certain investments for total proceeds of $799,630 and a realized gain of $99,387 and had an unrealized loss on investments of $135,991.

(Expressed in Canadian dollars)

4. Investments (continued)

The investments measured at fair value on a recurring basis were presented on the Company's statement of financial position as at February 29, 2024 and February 28, 2023 as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 29, 2024 $
Investments	260,400	42,244	2,898,851	3,201,495

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2023 $
Investments	811,500	172,130	490,225	1,473,855

Level 2 fair value hierarchy

During the years ended February 29, 2024 and February 28, 2023, the Company had the following activities:

	2024	**2023**
	$	**$**
Balance, beginning of year	172,130	16,248
Proceeds on sale of warrants	(39,100)	(54,560)
Realized gain on sale of warrants	39,100	54,560
Fair value adjustments	(129,886)	155,882
Balance, end of year	42,244	172,130

(Expressed in Canadian dollars)

4. Investments (continued)

Level 3 fair value hierarchy

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized loss on disposals of investments and the net change in unrealized loss on investments are recognized in the statements of loss and comprehensive loss.

	2024	2023
	$	$
Balance, beginning of year	490,225	466,925
Purchase at cost	8,493,142	–
Adjustment for foreign exchange	–	23,300
Fair value adjustments	(6,084,516)	–
Balance, end of year	2,898,851	490,225

Within Level 3, the Company includes private company investments which are not quoted on a recognized securities exchange. The key assumptions used in the valuation of these instruments include, but are not limited to, the value at which a recent financing was done by the investee company, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies. When a private company investment changes its status to a publicly-listed investment which meets Level 1 or Level 2 criteria, the investment is transferred out of the Level 3 fair value hierarchy. A transfer is recorded upon the occurrence of a liquidity transaction for an investee company, which includes, but is not limited to, a business combination between the entity and a public corporation pursuant to a reverse takeover, merger, amalgamation, arrangement, take-over bid, or an initial public offering of the entity. The transfers are recorded on the date that such a liquidity transaction is completed.

The following table presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at February 29, 2024:

	Fair value	Method	Unobservable inputs	Range of inputs
	$			
CWE European Holdings Inc.	150,000	Equity financing	N/A	N/A
First Person Ltd.	340,225	Equity financing	N/A	N/A
Healthcare Accretion Group Inc.	2,100,000	Discounted Cash Flow	Discount rate	20%
Mentorhead Incorporated	308,626	Transaction price	Recent purchase price	N/A
	2,898,851			

Within Level 3 of the fair value hierarchy, for those investments valued based on recent financings, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at February 29, 2024. A 10% change in the fair value of these investments would result in a corresponding change of approximately +/- $290,000 (2023 – $49,000) change to the fair value of the investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate the probability of such changes occurring, and it does not necessarily represent the Company’s view of expected future changes in the fair value of these investments

(Expressed in Canadian dollars)

4. **Investments** (continued)

Loan receivable

During the year ended February 29, 2024, the Company entered into a loan agreement with Healthcare Accretion Group ("HAG"). Pursuant to this agreement, the Company is obligated to provide funding to HAG through one or more advances, with the total aggregate of all advances not exceeding US$1,000,000. Interest on the outstanding principal under the loan shall accrue and be payable to the Company at the prime rate of interest charged by the Bank of Canada per annum, effective from the date of each advance until the complete repayment of the loan. The interest is calculated on a daily basis and aggregated monthly, not in advance, both before and after any default, demand, or judgment. The interest accrues without compounding until the termination date of the loan. HAG shall pay the loan on demand. As at February 29, 2024, the Company had advanced $1,023,651 (2023 - $Nil) to HAG and accrued interest receivable of $20,244 (2023 – $Nil).

5. Accounts Payable and Accrued Liabilities

	2024 $	2023 $
Trade accounts payable	177,840	693,493
Accrued liabilities	82,533	16,013
Accrued interest payable (Note 6)	-	413,149
	260,373	1,122,655

6. Loans Payable

(a) On January 15, 2010, the Company issued a $215,000 convertible debenture which bears interest at 10% per annum, is unsecured, and was due on January 16, 2015. The debenture was convertible into shares of the Company at a conversion price of $0.05 per share at any time at the option of the holder prior to the due date. The Company's convertible debenture matured on January 16, 2015 and the Company continues to accrue interest at the rate of 10% per annum.

The fair value of the equity component was determined to be $176,251 which was recorded as equity and an equivalent discount on the convertible debenture. The accretion of the discount was recognized over the term of the debenture. As at February 28, 2023 the carrying value of the convertible debenture was $215,000 and accounts payable and accrued liabilities included $261,476 in interest with respect to these convertible debentures. As at February 29, 2024, the convertible debenture along with the interest are deemed to no longer be owed by the Company, accordingly, the Company recorded a write-off of loan payable for $215,000 and a write-off of accrued interest of $283,034.

(b) As at February 28, 2023, the Company owed $20,000 to a non-related party. The amount owing is unsecured, bears interest at 20% per annum compounded monthly, and is due on demand. As at February 28, 2023, the Company incurred interest on this loan of $125,760 which is included in accounts payable and accrued liabilities. As at February 29, 2024, the loan along with the interest are deemed to no longer be owed by the Company, accordingly, the Company recorded a write-off of loan payable for $20,000 and a write-off of accrued interest of $157,834.

(c) On August 12, 2020, the Company issued a promissory note agreement for proceeds of $96,000 to a non-related party. The promissory note is unsecured, bears interest at 20% per annum, and was due on December 31, 2021. On September 17, 2021, the Company repaid the loan principal balance of $96,000. As at February 28, 2023, the Company has incurred interest on this promissory note of $21,146 to the non-related party which is included in accounts payable and accrued liabilities. During the year ended February 29, 2024, the Company recorded a write-off of accounts payable of $21,146 as the interest is deemed to no longer be owed by the Company.

6. Loans Payable (continued)

(b) On July 2, 2019, the Company entered into a loan agreement with ESG Global Impact Capital Inc. ("ESG") for $250,000. The loan was unsecured, bears interest at 10% per annum and due on July 31, 2020. As at December 21, 2020, the Company entered into a debt settlement agreement with ESG to settle $100,000 of the principal. The Company agreed to issue 2,000,000 units at a price of $0.05 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.06 per share expiring on December 21, 2021. As at February 28, 2021, the Company had incurred interest on this promissory note of $39,206 to the non-related party which is included in accounts payable and accrued liabilities. On April 14, 2021, the Company repaid the debt of $150,000 plus interest of $36,450. As at February 28, 2023, there is a remaining interest payable of $4,767. During the year ended February 29, 2024, the Company recorded a write-off of accounts payable of $4,767 as the interest is deemed to no longer be owed by the Company.

7. Related Party Transactions

(a) During the year ended February 29, 2024, the Company incurred $70,875 (2023 - $63,000) in consulting fees to a company controlled by the Chief Financial Officer of the Company.

(b) During the year ended February 29, 2024, the Company incurred $48,255 (2023 - $Nil) in consulting fees to the Chief Executive Officer ("CEO") of the Company.

(c) During the year ended February 29, 2024, the Company incurred $110,000 (2023 - $132,000) in consulting fees to the former CEO of the Company.

(d) During the year ended February 29, 2024, the Company incurred $42,000 (2023 - $92,000) in consulting fees to the former director of the Company.

(e) During the year ended February 29, 2024, the Company incurred $21,000 (2023 - $15,750) in consulting fees to a company with a director in common. As at February 29, 2024, the Company owed $500 (2023 - $Nil) to a company with a director in common which is included in accounts payable and accrued liabilities.

(f) During the year ended February 29, 2024, the Company incurred $104,645 (2023 - $Nil) in share-based payments to directors and officers of the Company.

8. Share Capital

Authorized: Unlimited number of common shares without par value

On May 19, 2023, the Company consolidated its common shares on a five old shares for one new share basis; accordingly, the consolidated financial statements have been retroactively restated.

Shares issued during the year ended February 29, 2024

During the year ended February 29, 2024, the Company issued 19,090,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.06 for total proceeds of $1,145,400. The fair value of $385,444 was transferred from warrant reserve to share capital upon exercise of share purchase warrants.

On June 23, 2023, the Company issued 17,000,000 units at $0.05 per unit for gross proceeds of $850,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.06 per share expiring on June 22, 2024. The fair value of warrants issued was determined to be $334,484 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.47%, dividend yield of 0%, volatility of 183%, and expected life of one year.

8. Share Capital (continued)

Shares issued during the year ended February 29, 2024 (continued)

On June 23, 2023, the Company issued 2,500,000 units with a fair value of $150,000 to debt settle outstanding payables of $125,000 which resulted in a loss on settlement of $25,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.06 per share expiring on June 22, 2024. The fair value of common shares issued was determined to be $150,000 based on the closing stock price on the date of issuance. The fair value of warrants issued was determined to be $59,027 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.47%, dividend yield of 0%, volatility of 183%, and expected life of one year.

On August 30, 2023, the Company issued 37,000,005 common shares with a fair value $8,140,001 pursuant to its investment in Healthcare Accretion Group Inc. (Note 4)

On October 3, 2023, the Company issued 6,250,000 units at $0.20 per unit for gross proceeds of $1,250,000. Each unit consisted of one common share and one-half share purchase warrant with each whole share purchase warrant entitle the holder to purchase one additional common share at a price of exercisable at a price of $0.30 per share expiring on October 3, 2025. The fair value of warrants issued was determined to be $355,545 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.73%, dividend yield of 0%, volatility of 184%, and expected life of two years. The company paid cash finder’s fee of $42,376 and issued 186,000 finder’s warrants exercisable into one common share at a price of $0.30 per share expiring on October 3, 2025. The fair value of the agent’s warrants issued were valued at $35,489 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.73%, dividend yield of 0%, volatility of 184%, and expected life of two years.

On February 9, 2024, the Company issued 6,994,887 units at $0.20 per unit for gross proceeds of $1,398,977. Each unit consisted of one common share and one-half share purchase warrant with each whole share purchase warrant entitle the holder to purchase one additional common share at a price of exercisable at a price of $0.30 per share expiring on February 9, 2026. The fair value of warrants issued was determined to be $247,345 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.19%, dividend yield of 0%, volatility of 179%, and expected life of two years. The company paid cash finder’s fee of $236,402 and issued 709,590 finder’s warrants exercisable into one common share at a price of $0.20 per share expiring on February 9, 2026. The fair value of the agent’s warrants issued were valued at $101,138 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.19%, dividend yield of 0%, volatility of 179%, and expected life of two years. The Company also issued 150,000 common shares at a fair value of $27,000 as finder’s fees.

Shares issued during the year ended February 28, 2023

On September 21, 2022, the Company cancelled 66,667 common shares and 33,333 warrants due to the non-receipt of the $50,000 in share subscriptions receivable ($48,500 and $1,500 allocated to share capital and warrant reserve, respectively).

(Expressed in Canadian dollars)

9. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted average exercise price $
Balance, February 28, 2022	4,843,030	0.47
Expired	(52,464)	1.25
Cancelled	(33,333)	1.25
Balance, February 28, 2023	4,757,233	0.46
Issued	35,588,033	0.18
Exercised	(19,090,000)	0.06
Expired	(4,757,233)	0.46
Balance, February 29, 2024	16,498,033	0.32

On July 20, 2023, the Company established an exercise incentive program with respects to 19,500,000 share purchase warrants that was issued at $0.06 per share. Under the incentive program, each holder of a warrant that are exercised between the date hereof to August 3, 2023, will be granted one-half common share purchase warrant will entitle the holder to acquire one common share of the Company at $0.35 per common share for a period of one year from the date of issuance. The incentive warrant will be subject to an acceleration clause, whereby if the closing price of the common share is equal to $0.50 or higher for ten consecutive trading days, over a 365-day period, the Company may accelerate the expiry of the share purchase warrants to the date that is 20 business days from the date of the issuance of an announcement of the acceleration right. As at February 29, 2024, the Company issued 8,570,000 share purchase warrants.

As at February 29, 2024, the Company had the following share purchase warrants outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
*410,000	0.06	June 22, 2024
8,570,000	0.35	August 3, 2024
3,311,000	0.30	October 3, 2025
3,497,443	0.30	February 9, 2026
709,590	0.20	February 9, 2026
16,498,033		

*Subsequent to February 29, 2024, 400,000 share purchase warrants were exercised, and 10,000 share purchase warrants expired unexercised.

(Expressed in Canadian dollars)

10. Stock Options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. Options may be exercisable for a maximum of ten years from the date of grant.

On September 1, 2023, the Company granted 500,000 stock options to directors and officers of the Company. These stock options entitle the holders thereof the right to purchase one common share for each option at $0.25 per share expiring on September 1, 2025. The stock option vested on the date of grant. The stock options were valued at $104,645 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.96%, dividend yield of 0%, volatility of 225%, and expected life of two years.

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

	Number of options	Weighted average exercise price $
Outstanding, February 28, 2022	1,440,000	0.69
Expired	(1,040,000)	0.84
Outstanding, February 28, 2023	400,000	0.32
Issued	500,000	0.25
Outstanding, February 29, 2024	900,000	0.28

Additional information regarding stock options outstanding as at February 29, 2024 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.45	50,000		0.45
0.30	350,000		0.30
0.25	500,000		0.25
	900,000	1.23	0.33

(Expressed in Canadian dollars)

11. Supplemental Cash Flow Information

	Year ended February 29, 2024 $	Year ended February 28, 2023 $
Non-cash investing and financing activities:		
Shares issued as share issue cost	150,000	–
Fair value of agent's warrants issued	136,627	–
Shares issued for investment in marketable securities	8,140,001	–

12. Risk Management

(a) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, accrued interest receivable, and convertible debenture receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share subscriptions receivable, warrant reserve, share-based payments reserve, and equity component of convertible debt.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended February 29, 2024.

(Expressed in Canadian dollars)

14. Commitment

On December 20, 2023, the Company and Mentorhead Incorporated entered into an intellectual property licence and option agreement pursuant to which Limmi granted to Vinergy Licensing Corp., a U.S. subsidiary of the Company, created for the purpose to facilitate this transaction, certain rights to the Limmi AIP in exchange for 350 common shares (each VAC share) described below. The Company has also been granted an option by Limmi to acquire the Limmi AIP for health care services exclusively at any time within the next 24 months. As at February 29, 2024, the Company has not exercised its option.

A VAC share will be exchangeable into the Company's Class A shares (as defined below) on the basis of one VAC share for 100,000 of the Company's Class A shares, subject to the following conditions:

a) 100 VAC shares shall be exchangeable into Company's Class A shares upon the Company raising aggregate gross proceeds of $2,800,000 on a prorate basis;
b) 50 VAC shares shall be exchangeable into the Company's Class A shares in the event the company achieves gross profit of at least $1,250,000 in any quarter;
c) 200 VAC shares shall be exchangeable into the Company's Class A shares in the event that the Company exercises its option for exclusivity of the Limmi AIP for health care services.

In connection with the foregoing, the Company created a new class of non-voting common shares of the Company. The Company's Class A shares shall have the same attributes as the common shares of the Company, except that the Company's Class A shares will not be listed on the Canadian Securities Exchange, will not carry the right to vote and will be convertible into common shares of the company on a one-for-one basis, subject to certain conditions, including a prohibition on the holder of the Company's Class A shares from converting such shares into common shares if it would result in such holder holding more than 9.9 per cent of the common shares.

In connection with the transactions noted above, the Company agreed to issue to an arm's-length finder one million common shares on April 16, 2025. The common shares to be issued in connection with the transactions will be issued at a deemed price of 18 cents per common share, being the discounted market price of the common shares on the date of execution of the letter of intent between the Company and Limmi.

15. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2024	2023
	$	$
Loss before income taxes	(7,157,906)	(430,221)
Statutory income tax rates	27%	27%
Expected tax recovery	(1,932,600)	(116,200)
Permanent difference	28,300	(13,400)
Other	121,800	–
Change in unrecognized tax benefits not recognized	(1,782,500)	129,600
Total current and deferred income tax recovery	–	–

(Expressed in Canadian dollars)

15. Income Taxes (continued)

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry	**2024**	**Expiry**	**2023**
		$		$
Share issuance costs	2025 - 2029	367,500	2025 - 2027	22,200
Investments	None	5,890,000	None	234,200
Non-capital losses	2026-2044	7,704,200	2026-2043	7,128,600
Capital losses	None	451,300	None	-
Property and equipment	None	24,500	None	24,500