Consolidated Financial Statements of

MOUNTAIN VALLEY MD HOLDINGS INC.

For the years ended March 31, 2024 and 2023

(Expressed in thousands of Canadian Dollars)

Independent auditor's report

To the Shareholders of Mountain Valley MD Holdings Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mountain Valley MD Holdings Inc. and its subsidiaries (together, the Company) as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 31, 2024 and 2023;
- the consolidated statements of loss and comprehensive for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of intangible assets *Refer to note 2 c) – Basis of presentation Areas of significant judgment and estimation uncertainty, note 3 – Material accounting policies and note 7 – Intangible assets to the consolidated financial statements.* The Company had intangible assets of $0.1 million as at March 31, 2024. At each statement of financial position reporting date, the carrying amounts of the intangible assets are reviewed by management to determine whether there is any indication that those intangible assets are impaired. If any such indication exists, the recoverable amounts of the intangible assets are estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. As at December 31, 2023, the net assets of the Company were higher than the market capitalization. As a result, an impairment assessment was performed as at December 31, 2024. The recoverable amount of the intangible asset was estimated using the fair value less costs to sell method, using a discounted cash flow model. The key assumptions used by management in estimating the recoverable amount include projected year one sales volumes, revenue growth rates and after-tax discount rate. Management recognized an impairment charge of $3.8 million for the Company's intangible asset during the year ended March 31, 2024. We considered this a key audit matter due to the significance of the intangible assets balance prior	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the intangible asset, which included the following: – Evaluated the appropriateness of the method used and tested the mathematical accuracy of the discounted cash flow model. – Tested underlying data used in the discounted cash flow model. – Tested the reasonableness of key assumptions such as projected year one sales volumes and revenue growth rates by (i) comparing revenue growth rates to third party published economic data; (ii) comparing projected year one sales volumes to the budget and considering the current performance of the Company; and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. – Professionals with specialized skill and knowledge in the field of valuation were used to assist in evaluating the reasonableness of the after-tax discount rate used in the discounted cash flow model. • Tested the disclosures made in the consolidated financial statements.

to the impairment and the significant judgment by management in determining the recoverable amount of the intangible asset, including the use of key assumptions. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the key assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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, 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 IFRS Accounting Standards, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rajveer Hundal.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 29, 2024

MOUNTAIN VALLEY MD HOLDINGS INC.
Consolidated Statements of Financial Position
As at March 31, 2024 and 2023
(Expressed in thousands of Canadian Dollars)

	Note	**2024** **$**	2023 $
Assets			
Current assets:			
Cash and cash equivalents		**5,915**	9,714
HST recoverable		**60**	95
Inventory	4	**1,218**	-
Purchase consideration receivable	5	**60**	74
Prepaids, deposits and other	6	**152**	978
Right-of-use asset		**-**	7
		7,405	10,868
Non-current assets:			
Intangible assets	7	**110**	4,185
Investments in equity instruments	9	**929**	1,545
Capital assets	10	**522**	171
		1,561	5,901
Total assets		**8,966**	16,769
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		**178**	336
Deferred revenue	11	**80**	140
Corporate taxes payable	17	**-**	109
Lease liability		**-**	6
		258	591
Total liabilities		**258**	591
Equity			
Share capital	12	**52,203**	52,203
Contributed surplus	12	**8,294**	4,942
Warrants	12	**-**	3,152
Deficit		**(51,789)**	(44,119)
		8,708	16,178
Total liabilities and equity		**8,966**	16,769

Subsequent events – Note 18

Approved on behalf of the Board:

“Dennis Hancock”
Director

“Nancy Richardson”
Director

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD HOLDINGS INC.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended March 31, 2024 and 2024
(Expressed in thousands of Canadian Dollars, except for per share amounts)

	Note	2024 $	2023 $
Revenue		**60**	-
Expenses:			
Amortization of intangible assets	7	**264**	352
Depreciation of capital assets and right-of-use assets		**152**	94
General and administrative		**2,570**	3,289
Impairment of intangible assets	7	**3,818**	46
Research and development		**70**	1,471
Stock-based compensation	12	**200**	345
Write-down of inventory		**406**	-
Loss before other items		**7,420**	5,597
Other items			
Fair value loss on investments in equity instruments	9	**616**	2,003
Interest income		**(274)**	(267)
Net loss and comprehensive loss for the year before income tax recovery		**7,762**	7,333
Income tax (recovery) expense	17	(92)	109
Net loss and comprehensive loss for the year		**7,670**	7,442
Basic and diluted loss per share		**(0.02)**	(0.02)
Weighted average number of shares outstanding – basic and diluted		**329,653,424**	329,652,636

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD HOLDINGS INC.

Consolidated Statements of Changes in Equity
For the years ended March 31, 2024 and 2023
(Expressed in thousands of Canadian Dollars, except for per share amounts)

	Class B Non-voting Number of Shares	Class B Non-voting Share Capital $	Common Shares Number of Shares	Common Shares Share Capital $	Contributed surplus $	Warrants $	Deficit $	Total Shareholders' Equity $
Balance at March 31, 2022	**50,056,229**	**2,399**	**329,581,549**	**52,174**	**4,597**	**3,152**	**(37,474)**	**24,848**
Issuance of stock options	-	-	-	-	345	-	-	**345**
Redemption of Class B shares	(50,056,229)	(2,399)	-	-	-	-	797	**(1,602)**
Shares issued for services	-	-	71,875	29	-	-	-	**29**
Net loss for the year	-	-	-	-	-	-	(7,442)	**(7,442)**
Balance at March 31, 2023	**-**	**-**	**329,653,424**	**52,203**	**4,942**	**3,152**	**(44,119)**	**16,178**
Issuance of stock options	-	-	-	-	200	-	-	**200**
Warrants expiry	-	-	-	-	3,152	(3,152)	-	**-**
Net loss for the year	-	-	-	-	-	-	(7,670)	**(7,670)**
Balance at March 31, 2024	**-**	**-**	**329,653,424**	**52,203**	**8,294**	**-**	**(51,789)**	**8,708**

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD HOLDINGS INC.
Consolidated Statements of Cash Flows
For the years ended March 31, 2024 and 2023
(Expressed in thousands of Canadian Dollars)

	2024 **$**	2023 $
Cash (used in) provided by:		
Operating activities:		
Net loss for the year	**(7,670)**	(7,442)
Adjustments for:		
Common shares issued for consulting services	**-**	29
Amortization of intangible assets	**264**	352
Depreciation of capital asset and right-of-use assets	**152**	93
Impairment of intangible assets	**3,818**	46
Stock-based compensation	**200**	345
Write-down of inventory	**406**	-
Fair value loss on equity investments	**616**	2,003
Interest earned on convertible note	**-**	(3)
Income tax (recovery) expense	**(109)**	109
	(2,323)	(4,468)
Changes in non-cash working capital:		
HST recoverable	**35**	(8)
Inventory	**(1,624)**	-
Purchase consideration receivable	**14**	-
Prepaids, deposits and other	**826**	(373)
Accounts payable and accrued liabilities	**(158)**	59
Deferred revenue	**(60)**	-
Lease liability	**(6)**	-
Cash used in operating activities	**(3,296)**	(4,790)
Investing activities:		
Proceeds from sale of Class B investments	**-**	1,798
Purchase of equity investment	**-**	(203)
Sale of equipment	**-**	2
Sale of investment in associate	**-**	352
Purchase of intangible assets	**(7)**	(64)
Purchase of capital assets	**(496)**	-
Cash (used in) provided by investing activities	**(503)**	1,885
Financing activity:		
Redemption of Class B shares less fees	**-**	(1,602)
Cash used in financing activity	**-**	(1,602)
Decrease in cash and cash equivalents	**(3,799)**	(4,507)
Cash and cash equivalents, beginning	**9,714**	14,221
Cash and cash equivalents, ending	**5,915**	9,714

The accompanying notes form an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Mountain Valley MD Holdings Inc. ("MVMDH" or the "Company"), was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company is a biotech company focused on advancing solutions to optimize human, animal, and plant health.

The Company's common shares trade on the Canadian Securities Exchange under the ticker symbol "MVMD."

The address of the Company's registered and records office is 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6 and the principal place of business is 260 Edgeley Boulevard, Unit 4, Vaughan, Ontario, Canada, L4K 3Y4.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Company's board of directors approved the release of these consolidated financial statements on July 24, 2024.

b) Basis of measurement

In preparing its consolidated financial statements, the Company makes judgments in applying its accounting policies. The judgments that have the most significant effect on the amounts recognized in the consolidated financial statements are outlined below in section c). In addition, the preparation of consolidated financial statements in conformity with IFRS requires the use of estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about assumptions and other sources of estimation uncertainty as at March 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are outlined below in section c).

c) Areas of significant judgment and estimation uncertainty

Intangible assets

Definite life intangible assets are carried at historical cost and amortized over their useful life.

At each statement of financial position reporting date, the carrying amounts of the intangible assets are reviewed by management to determine whether there is any indication that those intangible assets are impaired. If any such indication exists, the recoverable amounts of the intangible assets are estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Significant judgment is required by management in assessing whether certain factors would be considered an indicator of impairment. Management considers both internal and external information to determine whether there is an indicator of impairment present and accordingly, whether impairment testing is required. The information management considers in assessing whether there is an indicator of impairment includes, but is not limited to, market and economic conditions, results of research and development activities and the Company's market capitalization.

(Expressed in thousands of Canadian Dollars)

Fair value of privately held investments in equity instruments

The Company holds privately held investments which are measured at fair value. To determine the fair value of privately held investments in equity instruments, the Company will rely on recently completed equity transactions, or other methods of implied fair value, in determining the fair value of the investment. For privately held investments where recent equity transactions are not available, the Company uses valuation methods based on recently completed equity issuances.

3. MATERIAL ACCOUNTING POLICIES

a) Principles of consolidation

Subsidiaries are entities that are controlled, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital.

Details of the subsidiaries are as follows:

		Percentage owned	
	Incorporated in	**2024**	**2023**
Mountain Valley MD Inc. ("MVMD")	Canada	100%	100%
Mountain Valley Latam S.A.	Panama	100%	0%
Mountain Valley America Inc.	Panama	100%	0%
Mountain Valley Latam (Jaffray S.A.)	Uruguay	100%	100%
Mountain Valley Do Brasil Ltda	Brazil	100%	0%
Mountain Valley MD USA Inc.	United States	100%	100%
Colverde MD S.A.S. Inc.	Colombia	100%	100%
Mountain Valley MD (Colombia) Inc.	Canada	100%	100%

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

b) Foreign currencies

The Company assesses functional currency on an entity-by-entity basis based on the related fact pattern. However, the presentation currency used in these consolidated financial statements is determined at management's discretion.

The functional currency of MVMDH and MVMD is the Canadian dollar. The Company has determined that the functional currency of its wholly owned subsidiaries is the United States dollar. The presentation currency applicable to these consolidated financial statements is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits with banks and highly liquid investments that are readily convertible to cash with maturities of three months or less when purchased.

d) Deferred revenue

Amounts received in advance of the performance of services are classified as deferred revenue.

e) Capital assets

Lab equipment and leasehold improvements are stated at cost, less accumulated depreciation. Depreciation is provided for leasehold improvements using the straight-line method over 5 years, and lab equipment is depreciated on a 20% declining balance.

f) Inventory

Inventories are valued quarterly at the lower of cost and net realizable value. Costs are allocated to inventory using the weighted average cost method and include direct acquisition costs. Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and any applicable selling expenses. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the impairment is reversed (i.e. the reversal is limited to the amount of the original impairment) so that the new carrying amount is the lower of the cost and the revised net realizable value. Judgment is used to determine net realizable value, including the appropriate measure and inputs of a combination of interrelated demand and supply variables.

g) Intangible assets

Patents are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which is fifteen years.

h) Impairment of non-financial assets

At each statement of financial position reporting date the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value to their present value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating units to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of impairment is recognized immediately in profit or loss.

i) Share-based payment transactions

The Company's stock option plan allows directors, officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

j) Provisions

Provisions are recognized in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

k) Revenue recognition

The Company earns revenue through formulation work performed for customers. Revenue from contracts with customers, is based upon the principle that revenue is recognized when control of a good or service is transferred to a customer. The Company considers that control has passed when there is a present obligation to pay, physical possession, and when legal title and the risks and rewards of ownership have passed to the customer. This is typically achieved when a customer is satisfied and accepts the formulation work performed.

l) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

m) Financial instruments

The following table summarizes the classification of the Company's financial instruments under IFRS 9 Financial Instruments ("IFRS 9"):

Cash and cash equivalents	Amortized cost
Purchase consideration receivable	Amortized cost
Investments in equity instruments	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Valuation techniques based on 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 Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>Financial assets</u>

The classification of financial assets is based on the Company's assessment of its business model for holding financial assets and the contractual terms of the cash flows. The classification categories are as follows:

- Financial assets measured at amortized cost: assets that 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.

- Financial assets at fair value through other comprehensive income ("FVOCI"): assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

- Financial assets at fair value through profit or loss ("FVTPL"): assets that do not meet the criteria for amortized cost or FVOCI.

Financial assets are initially measured a fair value and are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Financial liabilities

The classification of financial liabilities is determined by the Company at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the consolidated statements of loss and comprehensive loss.

- Financial liabilities measured at FVTPL: financial liabilities measured at fair value with changes in fair value and interest expense recognized in the consolidated statement of loss and comprehensive loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Impairment of financial assets

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("ECL") model. Loss allowances are measured based on (i) ECLs that result from possible default events within the 12 months after the reporting date ("12-month ECL"), or (ii) ECLs that result from all possible default events over the expected life of a financial instrument ("lifetime ECLs").

The amortized cost of the financial asset is reduced by impairment losses at an amount equal to the lifetime expected credit losses. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets and the loss is recognized in the consolidated statements of loss and comprehensive loss. As at March 31, 2024, there are no ECLs recorded in the financial statements.

n) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

(Expressed in thousands of Canadian Dollars)

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

o) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new equity instruments are shown in equity as a deduction from the proceeds of issuance.

Options or warrants issued at the same time as the issuance of common shares are recorded at fair value based on the residual method. Proceeds are first allocated to the shares according to the fair value of the common shares and any residual of the proceeds is allocated to the options or warrants.

p) New and revised standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing April 1, 2024:

- Definition of Accounting Estimates – Amendments to IAS 8;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

q) New and revised standards issued but not yet effective

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of the standard on the consolidated financial statements.

4. INVENTORY

Inventory as at March 31, 2024 consists of finished goods purchased from a third party for US$1,200 ($1,624).

	March 31, 2024 **$**	March 31, 2023 $
Finished product	**1,218**	-
	1,218	-

Inventory recognized as an expense during the year ended March 31, 2024 amounted to $nil (2023: $nil).

Write-downs of inventory to net realizable value amounted to $406 (2023: $nil). These were recognized as an expense during the year ended March 31, 2024 and included in write-down of inventory in the consolidated statement of loss and comprehensive loss.

5. PURCHASE CONSIDERATION RECEIVABLE

On May 31, 2022, the Company signed a share purchase agreement to dispose of its shareholdings in its investment in associate, Sativa Nativa SAS for $426. The Company received $352 and the final payment of $60 is anticipated to be received subsequent to year end per communications with the counterparty. Subsequent to March 31, 2024, the Company has received $10.

(Expressed in thousands of Canadian Dollars)

6. PREPAID, DEPOSITS AND OTHERS

	March 31, 2024 **$**	March 31, 2023 $
Prepaid insurance, listing fees and other	**133**	143
Inventory deposit	**-**	817
Lease deposits	**19**	18
	152	978

7. INTANGIBLE ASSETS

On December 20, 2019, the Company entered into an intellectual property asset purchase agreement with a private Delaware corporation in the business of developing, manufacturing and licensing desiccated liposomes. The Company acquired a portfolio of patents and trademarks. Management determined all the value is attributable to the patents.

The Company's intellectual property consists of the following:

	$
Cost:	
As at March 31, 2022	5,258
Additions	64
Impairment	(55)
As at March 31, 2023	5,267
Additions	7
Impairment	(3,818)
As at March 31, 2024	1,456
Accumulated amortization:	
As at March 31, 2022	739
Depreciation	352
Impairment	(9)
As at March 31, 2023	1,082
Depreciation	264
Impairment	-
As at March 31, 2024	1,346
Carrying amounts:	
As at March 31, 2023	4,185
As at March 31, 2024	110

a) During the year ended March 31, 2024, the Company recorded additions of $7 (2023: $64) related to direct costs to acquire new patent and keep the current patents updated.

b) During the year ended March 31, 2024, the Company recorded $264 (2023: $352) of depreciation based on the estimated useful life of the portfolio of patents.

c) As at December 31, 2023, the net assets of the Company were higher than the market capitalization. As a result, an impairment assessment was performed as at December 31, 2023. The recoverable amount of the intangible asset was based on the fair value less cost to sell ("FVLCTS") method, which estimates the amount that would be obtained from the sale of the asset in an arm's length transaction been knowledgeable and willing parties, using a discounted cash flow model. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

   The expected future cash flows require a number of assumptions about future license revenue. Management developed key assumptions which include: (i) projected year one sales volumes; (ii) revenue growth rates; and (iii) after-tax discount rate. The period over which the Company has projected cash flows is over the life of the intangible asset which is approximately 10 years. Revenue growth rates were used to extrapolate the cash flow projections over the 10 year period. The cash flows are discounted using an after-tax discount rate based on the Company's weighted average cost of capital calculated to be 17.5%. As at December 31, 2023, an impairment of $3,818 was identified and intangible assets have been written down by this amount.

(Expressed in thousands of Canadian Dollars)

The Company has quantified the sensitivity of the significant unobservable inputs used to calculate the recoverable amount. If the projected year one sales volumes had been 20% lower than management's estimate, the Company would have recognized an impairment of $3,840. If the revenue growth rates used in the FVLCTS calculation had been 20% lower than management's estimates, the Company would have recognized an impairment of $3,824. If the after-tax discount rate had been 20% higher than management's estimate, the Company would have recognized an impairment of $3,831.

8. INVESTMENT IN ASSOCIATE

On April 4, 2019, the Company entered into a subscription and share purchase agreement with Sativa Nativa SAS ("Sativa Nativa"). Sativa Nativa is a company incorporated in the Republic of Columbia and is a cultivator of cannabis.

On May 31, 2022, the Company signed a share purchase agreement to dispose of its shareholdings in Sativa Nativa SAS for $426. The Company received $366 on July 5, 2022. The remaining receivable of $60 is recorded as purchase consideration receivable (Note 5).

9. INVESTMENTS IN EQUITY INSTRUMENTS

The following summarizes the Company's investments at March 31, 2024 and during the year ended March 31, 2024:

	March 31, 2023 $	Additions $	Disposals $	Change in fair value $	March 31, 2024 $
Sixth Wave Innovations Inc. (a)	5	-	-	(5)	-
Circadian Wellness Corp. (c)	1,222	-	-	(611)	611
Agrarius Corp. (d)	203	-	-	-	203
Agroresults Inc. (e)	115	-	-	-	115
	1,545	-	-	(616)	929

The following summarizes the Company's investments at March 31, 2023 and during the year ended March 31, 2023:

	March 31, 2022 $	Additions $	Disposals $	Change in fair value $	March 31, 2023 $
Sixth Wave Innovations Inc. (a)	55	-	-	(50)	5
Pallisades Goldcorp Ltd. (b)	1,806	-	(799)	(1,007)	-
Nevada King Gold Corp. (b)	1,841	-	(941)	(900)	-
Mexican Gold Mining Corp. (b)	18	-	(8)	(10)	-
Radio Fuels Energy Corp. (b)	86	-	(39)	(47)	-
Goldspot Discoveries Corp. (b)	-	36	(15)	(21)	-
Circadian Wellness Corp. (c)	1,222	-	-	-	1,222
Agrarius Corp. (d)	-	203	-	-	203
Agroresults Inc. (e)	-	115	-	-	115
	5,028	354	(1,802)	(2,035)	1,545

a) Sixth Wave Innovations Inc.

During the year ended March 31, 2024, Sixth Wave had entered into an agreement with a secured lender pursuant to which such secured lender would exercise its right to foreclose on Sixth Wave's assets. Accordingly, the Company wrote-down the fair value of this investment to be $nil.

As at March 31, 2023, management re-valued the investment to $5 (2022: $55) based on Level 1 input under the IFRS 13 fair value hierarchy using the trading price of Sixth Wave Innovations Inc. as at March 31, 2023.

b) Class B investments

On November 18, 2019, the Company disposed of its shares of Desert Hawk Resources Inc. to Casino Gold Corp. Casino Gold Corp. issued 10,000,000 shares to the Company which represented approximately 5.8% of Casino Gold's issued and outstanding shares.

In January 2020, Casino Gold Corp completed a plan of arrangement in which Casino Gold Corp. was split into two private companies. On October 14, 2021, Palisades Goldcorp Ltd. completed a plan of arrangement to distribute equity shares to shareholders of Palisades Goldcorp Ltd. The Company then owned the following equity investments, referred to as (the "Class B investments"):

- 4,091,325 common shares of Nevada King Gold Corp. (formerly Nevada King Mining Ltd, and formerly 1234721 B.C. Ltd.)
- 799,000 common shares of Palisade Goldcorp Ltd.
- 443,147 common shares of Mexican Gold Mining Corp.
- 326,339 common shares of Radio Fuels Energy Corp.
- 56,735 common shares of Goldspot Discoveries Corp.

Prior to the amalgamation, shareholders of the Company (formerly, Meadow Bay Gold Corporation) received one additional Class B share of the Company for each common share held.

During the year ended March 31, 2023, the Company sold its Class B investments for gross proceeds of $1,798. The Company accrued estimated taxes of $109. In December 2022, the Company redeemed all Class B shares.

c) Circadian Wellness Corp.

The Company owns 1,222,222 shares (post 3:1 share split on May 27, 2021) of Circadian Wellness Corp., a private Ontario corporation focusing on mushroom farming, extraction, clinical research and development, and end-user consumer health and wellness products and retreats.

As at March 31, 2024, management fair valued Circadian Wellness Corp. using Level 3 inputs under the IFRS 13 fair value hierarchy. During the year ended March 31, 2024, the Company recorded a change in value of investment of $611 based on the most recent private financing in progress by Circadian Wellness Corp.

d) Agrarius Corp.

On October 4, 2022, the Company made an equity investment of $203 in Agrarius Corp, a private US corporation.

As at March 31, 2024, management fair valued Agrarius Corp. using Level 3 inputs under the IFRS 13 fair value hierarchy. The fair value was based on the purchase price of the shares in Agrarius Corp., and management has determined no subsequent change in fair value.

Subsequent to March 31, 2024, the Company entered into an agreement with Agrarius Corp. to exchange the share for inventory (Note 18).

e) Agroresults Inc.

On November 4, 2022, the Company converted a note receivable of $115 into 1,072 common shares of Agroresults Inc., a private Canadian company, and majority owner of Agrarius Corp., representing 1% ownership of Agroresults Inc. at the time of issuance.

(Expressed in thousands of Canadian Dollars)

As at March 31, 2024, management fair valued Agroresults Inc. using Level 3 inputs under the IFRS 13 fair value hierarchy. The fair value was based on the conversion price of the shares. Management has determined no subsequent change in fair value.

Subsequent to March 31, 2024, the Company entered into an agreement with Agrarius Corp. to exchange the share for inventory (Note 18).

10. CAPITAL ASSETS

	Office and Lab Equipment $	Leasehold Improvements $	Total $
Cost:			
At March 31, 2022	224	109	333
Additions	2	-	2
Disposals	(5)	-	(5)
At March 31, 2023	221	109	330
Additions	496	-	496
At March 31, 2024	717	109	826
Accumulated amortization:			
At March 31, 2022	62	44	106
Depreciation	32	22	54
Disposals	(1)	-	(1)
At March 31, 2023	93	66	159
Depreciation	123	22	145
At March 31, 2024	216	88	304
Carrying amounts:			
At March 31, 2023	128	43	171
At March 31, 2024	501	21	522

11. DEFERRED REVENUE

On February 25, 2021, the Company entered into a commercial license agreement with Circadian Wellness Corp. (a privately held Ontario Corporation). The license agreement is based on applying the Company's Quicksome™ technology to mushroom nutraceutical products in consideration of ongoing product royalties and an initial advance payment in the amount of $250, made up of $200 cash and $50 of equity shares of the privately held corporation.

During the year ended March 31, 2024, the Company applied $60 (2023: $nil, 2022: $110) of formulation work to revenue. The Company also recognized $nil (2023: $nil, 2022: $40) of labor and expenses associated with this revenue charged to cost of sales.

12. SHARE CAPITAL

a) Share Capital

Authorized

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value.

Issued and outstanding

The Company has issued share capital of 329,653,424 Common Shares at March 31, 2024 (2023: 329,653,424).

(Expressed in thousands of Canadian Dollars)

Share issuances

During the year ended March 31, 2024, no shares were issued.

During the year ended March 31, 2023, the Company issued 71,875 shares for consulting services at a deemed price of $0.40 for a value of $29.

b) Stock Options

The Company has a stock option plan, under which the Board of Directors is authorized to grant options to employees, directors, officers and consultants, enabling them to acquire up to 10% of the issued and outstanding share capital of the Company. The exercise price of each option is based on the market price of the Company's share as calculated on the date of grant or the date preceding the date of grant, whichever is higher. The options can be granted for a maximum term of ten years, as determined by the Company's Board of Directors. Options granted to investor relations consultants are subject to vesting provisions, with no more than ¼ vesting during any three-month period. Vesting provisions for other options are determined by the Company's Board of Directors.

On April 7, 2022, the Company granted 50,000 stock options at $0.13 to a consultant of the Company. The options are exercisable for a period of five (5) years from the date of grant. The options vest over a one (1) year period.

On March 6, 2023, the Company granted 2,970,000 stock options at $0.05 to officers, directors and consultants of the Company. The options are exercisable for a period of five (5) years from the date of grant. The options vest over a one (1) year period.

On September 11, 2023, the Company granted 500,000 stock options at $0.05 to a former CFO of the Company. The options are exercisable for a period of five (5) years from the date of grant. The options vest over a one (1) year period.

On December 15, 2023, the Company granted 500,000 stock options at $0.05 to a former CFO of the Company. The options are exercisable for a period of five (5) years from the date of grant. The options vest over a one (1) year period.

The table below summarizes assumptions used by the Company in calculating the value of stock options based on the Black-Scholes Model:

	March 31, 2024	March 31, 2023
Average share price	$0.04	$0.05
Expected dividend yield	$nil	$nil
Volatility	96%	96%
Expected life (years)	5	5
Forfeiture rate	10%	10%
Risk-free rate	3.67%	4.22%

Volatility was estimated using the average comparable companies in the industry that have trading history and volatility history.

(Expressed in thousands of Canadian Dollars)

The activity of the stock options during the years ended March 31, 2024 and 2023 is as follows:

	Stock Options #	Weighted Average Exercise price $
Outstanding, March 31, 2022	16,703,500	0.16
Granted	3,020,000	0.05
Forfeited	(80,000)	0.14
Outstanding, March 31, 2023	19,643,500	0.15
Granted	1,000,000	0.05
Forfeited	(2,875,000)	0.17
Outstanding, March 31, 2024	**17,768,500**	**0.14**
Exercisable, March 31, 2024	**17,518,500**	**0.14**

The summary of the Company's stock options outstanding and exercisable as at March 31, 2024, is as follows:

Expiry date	Stock Options Outstanding #	Stock Options Exercisable #	Exercise price $	Remaining contractual life (Years)
March 13, 2025	3,785,000	3,785,000	1.07	0.95
May 3, 2025	4,288,500	4,288,500	0.05	1.09
December 1, 2025	135,000	135,000	0.01	1.67
December 14, 2025	1,000,000	1,000,000	0.29	1.71
July 14, 2026	2,390,000	2,390,000	0.27	2.29
August 1, 2026	1,000,000	1,000,000	0.40	2.34
January 25, 2027	2,150,000	2,150,000	0.22	2.82
April 7, 2027	50,000	50,000	0.13	3.02
March 31, 2028	2,470,000	2,470,000	0.05	3.93
September 11, 2028	500,000	250,000	0.05	4.45
	17,768,500	**17,518,500**	**0.14**	**2.04**

c) Warrants

The activity of the share purchase warrants during the years ended March 31, 2024 and 2023 is as follows:

	Warrants #	Weighted Average Exercise price $
Outstanding, March 31, 2022	14,127,763	0.44
Expired	(13,252,763)	0.37
Outstanding, March 31, 2023	875,000	0.48
Expired	(875,000)	0.48
Outstanding and exercisable, March 31, 2024	**-**	**-**

d) Restricted Share Units

Pursuant to the Company's Restricted Share Unit ("RSU") Incentive Plan approved by the board of directors of the Company on January 20, 2022, restricted stock units to acquire common shares of the Company may be granted to specified service providers of the Company in accordance with the terms and conditions of the plan. Upon vesting, each RSU entitles the participant to receive one common share, provided that the participant is continuously employed with or providing services to the Company. RSUs track the value of the underlying common shares, but do not entitle the recipient to the underlying common shares until such RSUs vest, nor do they entitle a holder to exercise voting rights or any other rights attached to ownership or control of the common shares, until the RSU vests and the RSU participant receives common shares.

(Expressed in thousands of Canadian Dollars)

On January 25, 2022, the Company issued 875,000 RSU's to directors, officers, and consultants of the Company that vest over 1 year. At March 31, 2024, there were nil RSUs outstanding (2023: nil). During the year ended March 31, 2024, the Company recorded $nil (2023: $nil) as stock-based compensation for the fair value of the RSUs issued.

13. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management consists of personnel having the authority and responsibility for planning, directing and controlling the activities of the Company, which are the directors and executive officers of the Company. During the year ended March 31, 2024 and 2023, the following transactions were incurred with key management:

	2024	2023
	$	$
Consulting fees		
CEO	**165**	269
CFO	**146**	150
Executive officers	**-**	180
Director fees	**98**	22
Stock-based compensation		
CEO	**71**	89
CFO	**24**	38
Executive officers	**-**	53
Directors	**18**	27
	522	828

b) Transactions with other related parties

The following transactions occurred with related parties:

	2024	2023
	$	$
Consulting fees		
Son of CEO*	**87**	82
Daughter of CEO*	**16**	18
Stock-based compensation		
Son of CEO*	**5**	5
	108	105

(Expressed in thousands of Canadian Dollars)

Included in accounts payable and accrued liabilities at March 31, 2024 is an amount of $11 (2023 - $81) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

	2024 **$**	2023 $
Key management personnel		
CEO	**9**	34
Former CFO	**-**	21
Other related parties		
Son of CEO*	**2**	24
Daughter of CEO*	**-**	2
	11	81

*Certain comparative information for the year ended March 31, 2023 has been restated to include consulting fees and share-based compensation relating to the son and daughter of the CEO.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, purchase consideration receivable, accounts payable and accrued liabilities and corporate taxes payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values based on their current nature and current market rates for similar financial instruments.
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at March 31, 2024, the Company did not have any financial assets and liabilities which are measured at fair value, other than equity investments. There were no transfers between Level 1, 2 or 3 during the year ended March 31, 2024.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash and cash equivalents and purchase consideration receivable. The amount of credit risk related to cash and cash equivalents is considered insignificant as the Company's funds are held with a large Canadian bank.

The credit risk for the cash and cash equivalent and purchase consideration receivable is monitored quarterly, and any change is reflected as an adjustment through expected credit loss.

b) 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 manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities.

As at March 31, 2024, the Company has cash and cash equivalents of $5,915 (2023: $9,714) and working capital of $7,147 (2023: $10,277). For the year ended March 31, 2024, the Company incurred a net loss of $7,670 (2023: $7,442) and used cash in operating activities of $3,296 (2023: $4,790).

Management projects that the Company will be able to meet its obligations as they come due for at least twelve months from March 31, 2024.

(Expressed in thousands of Canadian Dollars)

As at March 31, 2024, the Company's financial liabilities have contractual maturities as summarized below:

	0-12 months $	Due within 1-2 years $	2-3 years $
Accounts payable and accrued liabilities	178	-	-

c) Market risk

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

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact on comprehensive earnings which a change in the equity investments would have on the Company during the year ended March 31, 2024. As a result, a 10% change in the equity investments will translate to a $93 (2023: $154) gain or loss from equity investments.

15. SEGMENT INFORMATION

a) Description of segments

Management has determined that the Company has one reportable operating segment, being research and development of its delivery, solubility, and adjuvant technologies. This segment accounts for all of the Company's operating expenses. Determination of the operating segment was based on the level of financial reporting to the Company's chief decision makers.

The Company's revenue during the year ended March 31, 2024 was derived from Canada.

b) Entity-wide disclosure

The total non-current assets other than financial instruments, broken down by location of the assets, is shown below:

	2024 **$**	2023 $
Canada	**142**	4,235
United States	**490**	121
	632	4,356

16. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

17. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory tax rate of 27% (2023: 27%) to the effective tax rate during the years ended March 31, 2024 and 2023 is as follows:

(Expressed in thousands of Canadian Dollars)

	2024 **$**	2023 $
Net loss before income tax expense	**7,762**	7,333
Statutory tax rate of the parent	**27%**	27%
Expected income tax (recovery) expense	**(2,096)**	(1,978)
Non-deductible expenditures for tax	**54**	107
Non-deductible portion of capital items and rate differences	**120**	402
Change in tax benefits not recognized	**1,830**	1,578
Income tax expense	**(92)**	109

The significant components of the Company's net deferred tax assets and liabilities as at March 31, 2024 and 2023 are as follows:

	2024 **$**	2023 $
Capital assets	**305**	159
Intellectual property	**5,154**	1,091
Equity investments	**(31)**	(647)
Investment in associates	**1,643**	1,643
Non-capital losses carried forward	**20,301**	15,058
Financing costs and other	**1,269**	10,994
	28,641	28,298

As at March 31, 2024, the Company has unused non-capital loss carry forwards of approximately $20,174 (2023: $15,058) that expire between 2037 and 2044, available for deduction against future years taxable income. The Company also has estimated losses of approximately $127 (2023: $nil) in Panama that expire by 2029 and available to offset losses to a maximum of 50% of taxable income. As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized.

18. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company completed the following transactions.

a) Technology license agreement

On March 28, 2024, the Company entered into an amended Technology License Agreement with a privately held Ontario corporation (the "Licensee") whereby the Licensee will pay the Company royalties starting at 30% and lowering to 15% after achieving a net sales threshold, based on sales of Soluvec^{TM}1% products in Bangladesh that use the Quicksol^{TM} technologies. The tiered royalties are structured in contemplation of the Company having provided investment support to the Licensee for investment in manufacturing set-up, business development, and marketing support that the Licensee is responsible to coordinate inside of Bangladesh, in addition to the Licensor's previous R&D investments. As part of the agreement, the Company provided investment support of US$200,000 to the Licensee on April 19, 2024 in addition to previous R&D investments of US$110,000, making the total repayable investment balance US$310,000. The investment balance will be reduced by 20% of the royalties received by the Licensee each quarter. The Company has the right to demand payment of the investment balance in full if the Licensee is unable to generate royalties.

b) Agrarius Corp. purchase agreement

On April 24, 2024, the Company entered into an Amended and Restated Supply and License Agreement (the "April 2024 Agreement") with Agrarius Corp. ("Agrarius"), a private US corporation, whereby it will, among other things, acquire an exclusive license to Agrarius' agricultural plant signaling technology (the "Technology") in North America, Mexico, South America, Central America and the Caribbean, while retaining its global non-exclusive rights outside of the exclusive territories.

The April 2024 Agreement also implements a performance guarantee program (“PGP”) for farm operations in the United States, whereby the prospective client will be required to pay for the Agrarius’ product only after it has achieved a minimum agreed performance enhancement on the targeted crop.

Under the terms of the April 2024 Agreement, the Company:

- Issued 22,701,538 common shares at the fair value of $1,135 for the exclusive license in certain territories;
- Paid US$240 ($328) for the rights in the PGP;
- Paid US$275 ($376) for prepaid inventory of the product; and,
- Received 40,000 additional units of inventory of the product for no consideration.
- Invest a minimum of US$1,000 per calendar year in furtherance of the April 2024 Agreement, including but not limited to labour, inventory and logistics.

c) Equity investment sale

On May 21, 2024, the Company entered into Share Redemption Agreements with Agrarius and Agroresults Inc. to sell the equity investments held by the Company to Agrarius and Agroresults Inc. in exchange for inventory of US$390 ($532) for Agrarius and US$150 ($205) for Agroresults Inc. Refer to Note 9(d) and 9(e).

d) Stock option grant

On April 8, 2024, the Company granted 3,000,000 stock options to directors, officers, employees and consultants at an exercise price of $0.06 up to April 8, 2029. The options vest 20% on the date of grant, 30% after six months, and 50% after 12 months.