AION THERAPEUTIC INC.
(Formerly, Osoyoos Cannabis Inc.)

Consolidated Financial Statements

For the Years Ended April 30, 2022 and 2021

AION THERAPEUTIC INC.
(Formerly, Osoyoos Cannabis Inc.)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Aion Therapeutic Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of Aion Therapeutic Inc. (Formerly, Osoyoos Cannabis Inc.) (the "Company"), which comprise the consolidated statement of financial position as at April 30, 2022, and the consolidated statement of loss and comprehensive loss, changes in shareholder's equity (deficiency), and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2022, and its financial performance and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties 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.

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 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment of equipment – Refer to Note 5 to the financial statements

Critical Audit Matter Description

As reflected in the Company's consolidated financial statements, the Company recorded impairment charge of equipment at $1,000,000 during the year ended April 30, 2022. As discussed in Note 5, due to no indication of future economic benefit, the equipment was fully impaired to $Nil as at April 30, 2022.

Auditing the Company's impairment assessment involved subjective auditor judgement due to the significant estimation involved in determining whether future economic benefits are expected to flow to the Company.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures focused on the indictors of impairment and whether future economic benefits are expected from the equipment. The procedures included, amongst others, the following:

- We assessed the completeness of external or internal factors that could be considered indicators of impairment of the Company's equipment.
- We evaluated the possibility that future economic benefits are expected to flow to the Company from the equipment.
- We assessed the competence, capabilities and objectivity of the Company's personnel involved in preparing the impairment assessment.

The accounting and measurement methods applied are in accordance with IAS 36. We consider the impairment of the equipment to be reasonable.

Other Matter

The consolidated financial statements of the Company as at April 30, 2021 and for the year then ended were audited by another auditor who expressed an unqualified opinion on October 29, 2021.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 in this auditor's report. 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, 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 it 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 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 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 financial statements, including the disclosures, and whether the 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 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 auditor's report is Julia Zhou.

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
October 31, 2022

Aion Therapeutic Inc.
(Formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Financial Position
As at April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Notes	2022	2021
Assets			
Current assets:			
Cash and cash equivalents		$ -	$ 239,829
Harmonized sales tax receivable		142,489	-
Deferred costs	8	-	17,500
Prepaid expenses		7,655	217,363
		150,144	474,692
Property and equipment	5	-	500,000
Right-of-use asset	14	-	63,811
Other receivable	7	-	565,000
Total assets		$ 150,144	$ 1,603,503
Liabilities and shareholders' deficiency			
Current liabilities:			
Accounts payable and accrued liabilities		$ 1,812,692	$ 625,855
Harmonized sales tax payable		-	13,653
Lease liabilities	15	-	66,531
Loans payable	8	744,061	-
Convertible debentures	9	-	500,000
		2,556,753	1,206,039
Shareholders' equity (deficiency)			
Share capital	10	14,705,095	13,256,419
Contributed surplus		391,486	281,816
Warrant reserve		653,404	640,854
Share-based payment reserve		1,597,354	1,597,354
Share subscriptions received in advance		-	375,000
Equity portion of convertible debentures		-	109,670
Accumulated other comprehensive income		66,595	138,504
Accumulated deficit		(19,820,543)	(16,002,153)
Total shareholders' equity (deficiency)		(2,406,609)	397,464
Total liabilities and shareholders' equity (deficiency)		$ 150,144	$ 1,603,503

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Approved by the Board of Directors on October 31, 2022

"*Graham Simmonds*" (signed), Director "*Paul Crath*" (signed), Director

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

Aion Therapeutic Inc.
(Formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Notes	2022	2021
Expenses			
Accretion	8,9	$ 2,455	$ 72,484
Amortization of right-of-use asset	14	65,293	128,130
Bad debts		-	18,500
Consulting fees	11	701,179	1,207,426
Foreign exchange loss (gain)		(76,239)	165,924
Insurance		108,176	75,000
Interest expense		73,261	113,581
Investor relations		385,154	169,935
License fees		-	1,500
Management fees	11	241,500	288,848
Office, administration and miscellaneous		145,282	149,487
Professional fees		61,475	182,148
Rent		114,958	99,588
Research and development	19	953,000	-
Share-based compensation	10,11	-	451,601
Transfer agent and regulatory fees		42,896	26,360
		(2,818,390)	(3,150,512)
Impairment of equipment		(1,000,000)	(1,011,200)
Impairment of intangible assets	6	-	(1,444,842)
Impairment of goodwill	4	-	(2,538,542)
Impairment of leasehold improvements	5	-	(143,711)
Gain on assignment of lease	14	-	23,659
Net loss for the year		$ (3,818,390)	$ (8,265,148)
Loss per share – basic and diluted		$ (0.03)	$ (0.09)
Weighted average number of common shares outstanding - Basic and diluted		139,890,301	93,897,086
Net loss for the year		$ (3,818,390)	$ (8,265,148)
Foreign currency translation adjustment		(71,909)	138,504
Comprehensive loss for the year		$ (3,890,299)	$ (8,126,644)

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

Aion Therapeutic Inc.
(Formerly, Osoyoos Cannabis Inc.)
Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
For the Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Number of common shares outstanding	Share capital	Subscriptions received in advance	Contributed surplus	Warrant reserve	Share-based compensation reserve	Equity portion of convertible debentures	Accumulated deficit	Accumulated other comprehensive income	Shareholders' Equity (Deficiency)
Balance as of April 30, 2020	**36,681,824**	**$ 7,725,860**	**$ -**	**$ 281,816**	**$ 623,521**	**$ 1,145,753**	**$ 94,304**	**$ (7,737,005)**	**$ -**	**$ 2,134,249**
Share-based compensation (Note 10)	-	-	-	-	-	450,231	-	-	-	450,231
Issuance of warrants for services	-	-	-	-	-	1,370	-	-	-	1,370
Acquisition of subsidiary (Note 4)	36,000,000	2,520,000	-	-	-	-	-	-	-	2,520,000
Issuance of units on private placement (Note 10)	19,125,000	956,250	-	-	-	-	-	-	-	956,250
Issuance of units for settlement of accrued interest (Note 10)	1,083,340	54,167	-	-	-	-	-	-	-	54,167
Share issuance costs - cash	-	(23,674)	-	-	-	-	-	-	-	(23,674)
Issuance of broker warrants	-	(11,951)	-	-	11,951	-	-	-	-	-
Issuance of units on private placement (Note 10)	8,890,907	489,000	-	-	-	-	-	-	-	489,000
Issuance of units for director fees (Notes 10, 11)	200,000	11,000	-	-	-	-	-	-	-	11,000
Issuance of shares for accrued interest	772,775	61,822	-	-	-	-	-	-	-	61,822
Equity portion of convertible debt	-	-	-	-	-	-	15,366	-	-	15,366
Issuance of units on private placement (Note 10)	15,384,615	1,000,000	-	-	-	-	-	-	-	1,000,000
Share issuance costs - cash	-	(5,440)	-	-	-	-	-	-	-	(5,440)
Issuance of units on private placement (Note 10)	6,666,333	499,975	-	-	-	-	-	-	-	499,975
Share issuance costs - cash	-	(15,208)	-	-	-	-	-	-	-	(15,208)
Issuance of broker warrants	-	(5,382)	-	-	5,382	-	-	-	-	-
Share subscriptions received	-	-	375,000	-	-	-	-	-	-	375,000
Currency translation adjustment	-	-	-	-	-	-	-	-	138,504	138,504
Net loss for the year	-	-	-	-	-	-	-	(8,265,148)	-	(8,265,148)
Balance as at April 30, 2021	**124,804,794**	**$ 13,256,419**	**$ 375,000**	**$ 281,816**	**$ 640,854**	**$ 1,597,354**	**$ 109,670**	**$ (16,002,153)**	**$ 138,504**	**$ 397,464**
Issuance of units on private placement (Note 10)	16,994,475	1,487,016	(375,000)	-	-	-	-	-	-	1,112,016
Share issuance costs-cash	-	(25,790)	-	-	-	-	-	-	-	(25,790)
Issuance of broker warrants	-	(12,550)	-	-	12,550	-	-	-	-	-
Repayment of convertible debentures (Note 9)	-	-	-	109,670	-	-	(109,670)	-	-	-
Currency translation adjustment	-	-	-	-	-	-	-	-	(71,909)	(71,909)
Net loss for the year	-	-	-	-	-	-	-	(3,818,390)	-	(3,818,390)
Balance as at April 30, 2022	**141,799,269**	**$ 14,705,095**	**$ -**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ -**	**$ (19,820,543)**	**$ 66,595**	**$ (2,406,609)**

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

Aion Therapeutic Inc.

(Formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Cash Flows
For the Years Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

		2022		2021
Cash flows from operating activities				
Net loss for the year	$	(3,818,390)	$	(8,265,148)
Adjustments to reconcile net loss to net cash used in operating activities:				
Bad debt expense		-		18,500
Share-based compensation		-		451,601
Issuance of units for director fees		-		11,000
Accretion on loan payable and convertible debentures		-		47,214
Accrued interest on debt		67,196		-
Amortization of finance fees		-		64,456
Accretion on lease obligation		2,455		25,270
Impairment of leasehold improvements		-		143,711
Impairment of property and equipment		1,000,000		1,011,200
Amortization of right-to-use asset		65,293		128,130
Gain on assignment of lease		-		(23,659)
Impairment of goodwill		-		2,538,542
Impairment of intangible assets		-		1,444,842
Accrued interest		-		14,479
Shares issued for interest expense		-		29,218
Non-cash working capital adjustments				
Harmonized sales tax receivable		(77,489)		2,127
Prepaid expenses		209,708		(198,736)
Deferred costs		17,500		-
Accounts payable and accrued liabilities		1,186,837		423,774
Total cash used in operating activities		(1,346,890)		(2,133,479)
Cash flows from investing activities				
Additions to intangible assets		- -		[illegible]
Rental deposit		-		64,817
Total cash used in investing activities		-		(1,380,025)
Cash flows from financing activities				
Repayment of loan payable and interest		-		(131,805)
Repayment of convertible debentures		(500,000)		-
Proceeds from loans payable		676,865		-
Units/shares issued for cash		1,112,017		2,945,225
Repayment of lease obligation		(65,772)		(141,873)
Share issuance costs		(25,790)		(44,322)
Cash received for subscriptions received in advance		-		375,000
Total cash provided by (used in) financing activities		1,197,320		3,002,225
Effects of foreign currency exchange rate changes		(90,259)		138,320
Total decrease in cash and cash equivalents during the year		(239,829)		(372,959)
Cash and cash equivalents - beginning of year		239,829		612,788
Cash and cash equivalents - end of year	$	-	$	239,829

Supplementary cash flow information:				
Interest paid	$	-	$	7,222
Taxes paid	$	-	$	-
Cash and cash equivalents consist of:				
Cash	$	-	$	239,829
Cash equivalents	$	-	$	-

For supplemental disclosure with respect to cash flows, see Note 17.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aion Therapeutic Inc. (formerly, Osoyoos Cannabis Inc.) ("Aion" or the "Company") was incorporated on January 13, 2011 under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 45 Sheppard Avenue East, Suite 703, Toronto, Ontario, Canada, M2N 5W9. The Company is publicly traded on the Canadian Securities Exchange under the symbol "AION".

Effective October 31, 2018, the Company was part of a three-cornered amalgamation among LKP Solutions Inc. ("LKP"), 1160516 B.C. Ltd. (a wholly owned subsidiary of LKP) and former Osoyoos Cannabis Inc. ("OSO"). The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and the former OSO was amalgamated into 1160516 B.C. Ltd. Effective August 26, 2020, the Company changed its name to Aion Therapeutic Inc. and began trading under its new name and symbol on August 28, 2020.

On June 30, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" and its wholly-owned subsidiary AI Pharmaceuticals Jamaica Limited ("AI Pharma"). The business of AI Pharma involves research and development, treatment, data mining and state-of-the-art artificial intelligence (machine learning) techniques, focused on the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals utilizing compounds from cannabis (cannabinoids), psychedelic mushrooms (psilocybin), fungi (edible mushroom), natural psychedelic formulations (ayahuasca), and other medicinal plants in a legal environment for this type of discovery.

The backbone of the Company's combinatorial treatment formulation discovery platform is artificial intelligence techniques. Using artificial intelligence, the Company intends to create a full line of therapeutic products that includes combinatorial pharmaceuticals, nutraceuticals, and cosmeceuticals, as well as, individualized treatments for personalized medicine using human genome and other data unique to an individual. In addition, the Company is creating a strong international intellectual property portfolio related to its discoveries.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At April 30, 2022 the Company had cash and cash equivalents of $nil (April 30, 2021 - $239,829), working capital deficit of $2,406,609 (April 30, 2021 –$731,347), and an accumulated deficit of $19,820,543 (April 30, 2021 - $16,002,153). The continuing operations of the Company are dependent on funding. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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

2. BASIS OF PRESENTATION

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. The functional currency for the Company, Oservco Management Corp., 1160516 B.C. Ltd., Bare Root Production Osoyoos Inc., and PCAI Pharma have been determined to be the Canadian dollar. The functional currency of AI Pharma has been determined to be the Jamaican dollar.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standards 1, Presentation of Consolidated Financial Statements using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating polices of an entity and be exposed to the variable returns from its activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Oservco Management Corp., 1160516 B.C. Ltd. and its wholly-owned subsidiary Bare Root Production Osoyoos Inc., and PCAI Pharma and its wholly-owned subsidiary AI Pharma. All inter-company transactions and balances have been eliminated on consolidation.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

<u>Critical Judgements</u>

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, impairment of equipment, as well as the determination of functional currency.

The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company, Oservco Management Corp., 1160516 B.C. Ltd., Bare Root Production Osoyoos Inc., and PCAI Pharma have been determined to be the Canadian dollar. The functional currency of AI Pharma has been determined to be the Jamaican dollar.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based Payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Discount rates used in convertible debentures

The Company calculates the liability portion of convertible debentures by calculating the present value of the debenture and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful execution of the Company's business plan. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Carrying values of tangible assets

The Company assesses the carrying value of its tangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current net income (loss). Recoverability is dependent upon assumptions and judgements regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Key Sources of Estimation Uncertainty (continued)

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Capitalization of development costs

Initial capitalization of development costs is based on management's judgment that technical and economic feasibility is confirmed. Subsequent development costs are capitalized if the Company can demonstrate an economic benefit to the underlying intangible asset. An intangible asset arising from development is recognized if the Company can demonstrate all of the following:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
b) its intention to complete the intangible asset and use or sell it;
c) its ability to use or sell the intangible asset;
d) how the intangible asset will generate probable, future economic benefits;
e) the availability of adequate technical, financial and other resources; and
f) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units (“CGUs”), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company’s future results if the current estimates of future performance and fair value change.

2. BASIS OF PRESENTATION (continued)

Approval of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on October 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise of cash held at banks, credit unions, amounts held in trust, and amounts held in term deposits, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. The Company's cash and cash equivalents are invested with major financial institutions in business accounts. The Company does not invest in any asset-backed deposits or investments.

Income taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of such financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based payments

The Company grants stock options and warrants for the purchase of common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options and warrants. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options and warrants is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options and warrants are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Fair value of warrants

The Company measures the fair value of warrants issued from financings using the residual value method. When warrants are issued, the fair value is recorded in the warrant reserve, with the corresponding entry to share capital. When warrants are exercised, their fair value is removed from the warrant reserve account and recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance are expensed as incurred unless they meet the criteria for capitalization. Amortization is not recognized until the asset is in use.

Financial instruments

(i) Accounting policy

The following is the Company's accounting policy for financial instruments under IFRS 9.

(a) Classification and measurement of financial assets

Financial assets are measured at initial recognition at fair value and are classified and subsequently measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost ("AMC"), based on the business model for managing the financial instruments and the contractual cash flow characteristics of the instrument.

(b) Debt instruments

On initial recognition, all debt instruments, are classified based on:
- The business model under which the asset is held; and
- The contractual cash flow characteristics of the financial instrument.

Business model assessment

Business model assessment involves determining whether financial assets are held and managed by the Company for generating and collecting contractual cash flows, selling the financial assets or both. The Company assesses the business model at a portfolio level using judgment and is supported by relevant objective evidence including:
- how the performance of the asset is evaluated and reported to the Company's management;
- the frequency, volume, reason and timing of sales in prior periods and expectations about future sales activity;
- whether the assets are held for trading purposes i.e., assets that are acquired by the Company principally for the purpose of selling or repurchase in the near term, or held as part of a portfolio that is managed together for short-term profits; and
- the risks that affect the performance of assets held within a business model and how those risks are managed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement, i.e. if they represent cash flows that are solely payments of principal and interest ("SPPI").

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows such that the financial asset would not meet the SPPI criteria.

In making the assessment the Company considers:
- contingent events that would change the amount and/or timing of cash flows;
- leverage features;
- prepayment and extension terms;
- associated penalties relating to prepayments;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

Debt instruments measured at AMC

Debt instruments are measured at AMC using the effective interest rate, if they are held within a business model whose objective is to hold the financial asset for collecting contractual cash flows where those cash flows represent SPPI. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. AMC is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization of these deferred costs is included in interest income in the consolidated statements of loss and comprehensive loss.

Impairment on debt instruments measured at AMC is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses ("ACL") in the consolidated statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Equity instruments

Equity instruments are measured at FVTPL, unless they are not held for trading purposes and an irrevocable election is made to designate these instruments at FVOCI upon initial recognition. The measurement election is made on an instrument-by-instrument basis. Changes in fair value are recognized as part of investments income in the consolidated statements of loss and comprehensive loss for equity instruments measured as at FVTPL.

(iii) Financial assets and liabilities designated at FVTPL

Financial assets and financial liabilities classified in this category are those that have been designated by the Company on initial recognition. Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial liabilities are designated at FVTPL when one of the following criteria is met:

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- The financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial assets and financial liabilities designated at FVTPL are recorded in the consolidated statements of financial position at fair value. For assets designated at FVTPL, changes in fair values are recognized in other income in the consolidated statements of loss and comprehensive loss. For liabilities designated at FVPTL, all changes in fair value are recognized in other income in the consolidated statements of loss and comprehensive loss, except for changes in fair value arising from changes in the Company's own credit risk are recognized in OCI and are not subsequently reclassified to the consolidated statements of loss and comprehensive loss upon derecognition /extinguishment of the liabilities.

(c) Derecognition

(i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of loss and comprehensive loss.

(ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Measurement**
Cash and cash equivalents	Amortized cost
Other receivable	Amortized cost
Accounts payable	Amortized cost
Loan payable	Amortized cost
Convertible debentures	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Business combinations

Acquisitions have been accounted for using the acquisition method as per IFRS 3, Business Combinations. Goodwill arising from acquisitions are measured as the fair value of the consideration transferred less the net recognized amount of the estimated fair value of identifiable assets acquired and liabilities assumed (subject to certain exemptions to fair value measurement principles such as deferred tax assets or liabilities), all measured as of the acquisition date. Transaction costs that are incurred by the Company in connection with a business combination are expensed as incurred (except for costs directly related to the issuance of shares which are recognized in equity).

The Company uses its best estimates and assumptions to accurately value assets and liabilities assumed at an acquisition date as well as contingent consideration, where applicable, and these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from an acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. On conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in profit and loss.

Assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for sets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets held for sale (continued)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the asset acquired, which varies depending on the nature of the intangible asset. Intangible assets are amortized from the date when they are available for use.

The estimated useful life is reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Internally incurred development costs are recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the intangible asset so that it will be available for use;
b) management intends to complete the intangible asset and use or sell it;
c) there is an ability to use or sell the intangible asset;
d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Intangible assets relate to the Company’s internal development expenditures in relation to patent and intellectual property development as described in Note 1. Other internal development expenditures that do not meet these criteria are recognized as an expense as incurred. Intangible assets with definite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. These intangible assets will be amortized when they are ready for use. The amortization period and the amortization method are reviewed at the end of each reporting period.
Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis.

(Expressed in Canadian Dollars)

4. ACQUISITIONS

Acquisition of PCAI Pharma and AI Pharma

On June 26, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a “PCAI Pharma” and its wholly-owned subsidiary AI Pharma (the “Acquisition”), as described in Note 1. As consideration for the Acquisition, the Company issued 36,000,000 Common Shares of the Company at a price of $0.07 per share for a total consideration of $2,520,000 the (the “Purchase Price”).

Consideration		
36,000,000 Common Shares at a value of $0.07 per share	**$**	**2,520,000**
Purchase Price allocation		
Right-of-use asset	$	165,626
Accounts payable and accrued liabilities		(18,542)
Lease obligation		(165,626)
Provisional amount allocated to Goodwill		2,538,542
	$	**2,520,000**

Following the Acquisition, the Company determined that the entire amount of goodwill was impaired and reduced the recoverable amount to $Nil, resulting in an impairment of goodwill of $2,538,542. The entire amount of goodwill impairment was reported on the consolidated statement of loss and comprehensive loss.

During the year ended April 30, 2021, the Company had capitalized intangible assets in the amount $1,333,183. As a result of the impairment of AI Pharma, this amount was determined to be impaired (Note 6).

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

The Company's property and equipment are comprised of the following:

		Equipment[(a)]		Leasehold Improvements[(b)]		Total
Cost						
Balance at April 30, 2020	**$**	**2,011,200**	**$**	**143,711**	**$**	**2,154,911**
Asset sold, subsequently returned[(c)]		(500,000)		-		(1,005,600)
Impairment[(d)]		(1,011,200)		(143,711)		(649,311)
Balance at April 30, 2021	**$**	**500,000**	**$**	**-**	**$**	**500,000**
Additions[(e)]		500,000		-		500,000
Impairment[(f)]		(1,000,000)		-		(1,000,000)
Balance at April 30, 2022	**$**	**-**	**$**	**-**	**$**	**-**
Net Book Value						
Balance, April 30, 2022	**$**	**-**	**$**	**-**	**$**	**-**
Balance, April 30, 2021	**$**	**500,000**	**$**	**-**	**$**	**500,000**

a) The equipment is comprised of two identical extraction systems (the "Extraction Systems"), which the Company acquired in 2019.

b) During the year ended April 30, 2021, the Company assigned its sub-leased premises to a third party. As a result, an impairment expense in the amount of $143,711 was recorded related to these leasehold improvements during the year ended April 30, 2021.

c) In February 2021, the Company terminated an equipment lease and a profit-sharing agreement with 2623942 Ontario Limited which were to commence on November 1, 2020, and sold one of its Extraction Systems to an arm's-length party at a price of $500,000 *(Note 7)*.

d) During the year ended April 30, 2021, the value of each Extraction Systems was estimated to be $500,000 based on the selling price, and impairment expense of $1,011,200 was recorded.

e) During the year ended April 30, 2022, The Extraction System was returned to the Company, and the Company recorded the addition of equipment at $500,000 (*Note 7).*

f) Additions during the year ended April 30, 2022 related to the return of one of the Company's extraction system amounting to $500,000 (*Note 7).*

g) As at April 30, 2022, the two Extraction Systems was fully impaired to $Nil due to no indication of a future economic benefit being generated. The two Extraction Systems have not been used since acquired by the Company and impairment expense of $1,000,000 was recorded during the year ended April 30, 2022 (2021 - $1,011,200).

(Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS

The Company's intangible assets are comprised of the following:

	Intellectual Property	Patents	Total
Cost			
Balance at April 30, 2020	$ -	$ -	$ -
Additions	1,333,183	111,659	1,444,842
Impairment	(1,333,183)	(111,659)	(1,444,842)
Balance at April 30, 2021 and 2022	$ -	$ -	$ -
Net Book Value			
Balance, April 30, 2021 and 2022	$ -	$ -	$ -

The Company's intangible assets relate to the development of intellectual property and development of a patent portfolio, as described in Note 1. These intangible assets were currently in the development phase and were not yet in use. During the year ended April 30, 2021, these intangible assets were deemed to be impaired as a result of the lack of revenue from the AI Pharma. Accordingly, the intangible assets were determined to be impaired as at April 30, 2021.

7. OTHER RECEIVABLE

The equipment sale was completed on February 22, 2021 to 2623942 Ontario Limited, (the "Licensed Producer"). The total consideration for the sale of this equipment was $565,000 including sales taxes, which has been recorded as other receivable. The sale consideration was to be settled by the issuance of the below (collectively, the "Debt"):

i) a convertible debenture in the amount of $400,000, bearing interest at 5% per annum accrued monthly in arrears, with the principal and interest convertible, at anytime prior to maturity, by the Company at $0.0025 per common share of the Licensed Producer, maturing on February 22, 2024.

ii) a promissory note in the amount of $100,000, bearing interest at 10% per annum accrued monthly in arrears, maturing on February 22, 2022; and

iii) a promissory note in the amount of $65,000, bearing interest at 10% per annum accrued monthly in arrears, maturing on the earlier of the receipt of the sale tax refund amount from the Canada Revenue Agency by the Licensed Producer or August 22, 2021.

During the year ended April 30, 2022, the Company entered into a settlement agreement (the "Machine Settlement") with the Licensed Producer where the Company settled and retired the outstanding debt in the principal amount of $565,000 in exchange for the return of the purchased equipment to the Company. This equipment was returned during the year ended April 30, 2022, resulting in $500,000 being recorded as an addition to property and equipment (Note 5) with the remaining $65,000 allocated to Harmonized sales tax receivable.

Other receivable as at April 30, 2022 amounted to $nil (April 30, 2021 - $565,000).

(Expressed in Canadian Dollars)

8. LOANS PAYABLE

During the year ended April 30, 2022, the Company entered into various promissory notes with non-arm's length parties for the principal amount of $676,865. The promissory notes payable are unsecured, bears interest at 18% per annum and is due on demand.

Interest expense in the amount of $67,196 was recorded for the year ended April 30, 2022 (April 30, 2021 – $nil). As at April 30, 2022, the outstanding loans payable amounted to $744,061 (April 30, 2021 – $nil).

9. CONVERTIBLE DEBENTURES

The Company has convertible debentures ("Debentures") with principal of $500,000 bearing interest at 10% from a CSE-listed investment company. $262,500 of Debentures were matured on November 1, 2020 and $237,500 of Debentures were matured on December 10, 2020.

On October 29, 2020, the Company entered into an extension and amendment agreement (the "Amendment") with the debenture holder. Pursuant to the Amendment, the maturity dates of these Debentures were extended until April 30, 2021 (the "Amended Maturity Date") and the Company agreed to pay interest at a rate of 12% per annum on the Debentures from their respective maturity dates until the Amended Maturity Date. The Company also agreed to amend the conversion price of the Debentures from $0.15 per Common Share to $0.125 per Common Share and agreed to pay to the Debenture holder an extension fee of $20,000. Furthermore, the Company settled $61,822 representing (i) all interest payable on the Debentures up until the Amended Maturity Date in the aggregate amount of $41,822, and (ii) the extension fee of $20,000 through the issuance of 772,775 Common Shares at a price of $0.08 per share (see Note 10(c)).

As a result of the Amendment, the Company allocated $483,993 of the outstanding principal amount of $500,000 of the Debentures to the liability component of the Debentures and the remaining amount of $16,007 to the equity component of the Debentures. Furthermore, the extension fee of $20,000 was recorded as a transaction cost, of which $641 was recorded as issuance cost related to the equity component of the Debentures and the remaining amount of $19,359 was allocated to the liability portion of the Debentures, to be accreted until the Amended Maturity Date. In May 2021, the Company repaid the outstanding Debenture balance of $500,000. As a result of the repayment, the equity portion of the convertible debenture in the amount of $109,670 was transferred to contributed surplus.

As at April 30, 2022 and 2021, the Company's Debentures were comprised of the following:

		Equity component		Liability component		Total
Balance, April 30, 2020	**$**	**94,304**	**$**	**426,196**	**$**	**520,500**
Adjustment		15,366		(35,366)		(20,000)
Amortization of finance costs		-		61,956		61,956
Accretion		-		47,214		47,214
Balance, April 30, 2021	**$**	**109,670**	**$**	**500,000**	**$**	**609,670**
Repayment		-		(500,000)		(500,000)
Transfer to contributed surplus		(109,670)		-		(109,670)
Balance, April 30, 2022	**$**	**-**	**$**	**-**	**$**	**-**

10. SHARE CAPITAL

The Company is authorized to issue the following shares:

- Unlimited Class "A" voting common shares with no par value
- Unlimited Class "B" non-voting preferred shares with a par value of $1.00
- Unlimited Class "C" voting common shares with no par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at April 30, 2022, the Company had 141,799,269 (April 30, 2021 – 124,804,794) class A common shares issued and outstanding.

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares with the rights, privileges and restrictions determined by the Board of Directors at the time of issuance.

There were no issuances of preferred shares during the years ended April 30, 2022 and 2021.

c) Share issuances

During the year ended April 30, 2022 and year ended April 30, 2021, the Company completed one and six tranches of private placements, respectively (each a "Private Placement") through the issuance of units ("Units") of the Company. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share. Furthermore, the Company has the right to accelerate the expiry date to be thirty days following written notice to the holders, if during the term of the Warrants the Common Shares close at or above $0.20 per Common Share on each trading day for a period of ten consecutive trading days on the Canadian Securities Exchange (the "CSE"). In connection with the Private Placements, the Company incurred share issuance costs of $25,790 and $44,322 in cash during the year ended April 30, 2022 and 2021, respectively.

During the year ended April 30, 2022, the Company issued the following Common Shares:

- On June 11, 2021, the Company closed a Private Placement and issued 16,994,475 Units at a price of $0.0875 per Unit for gross proceeds of $1,487,016. In connection with the Issuance of the Units, the Company issued 16,994,475 Common Shares and 8,497,238 Warrants. Furthermore, the Company issued 238,562 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share (see Note 10(d) for the valuation of these broker warrants).

10. SHARE CAPITAL (continued)

c) Share issuances (continued)

During the year ended April 30, 2021, the Company issued the following Common Shares:

- On June 16, 2020, the Company closed a Private Placement and issued 1,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $75,000. In connection with the issuance of the Units, the Company issued 1,500,000 Common Shares and 750,000 Warrants;
- On June 30, 2020, the Company acquired PCAI Pharma and its wholly owned subsidiary AI Pharma as described in Note 1 and Note 4. In consideration for the Transaction, the Company issued 36,000,000 Common shares, at a fair value price of $0.07 per Common Share, for a total Purchase Price of $2,520,000;
- On July 20, 2020, the Company closed a Private Placement and issued 8,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $425,000. In connection with the issuance of the Units, the Company issued 8,500,000 Common Shares and 4,250,000 Warrants;
- On July 31, 2020, the Company closed a Private Placement and issued 10,208,340 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $510,417; of which $456,250 was received in cash and $54,167 was issued to settle accrued interest payable. In connection with the issuance of the Units, the Company issued 10,208,340 Common Shares and 5,104,170 Warrants. Furthermore, the Company issued 386,750 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share (see Note 10(d) for the valuation of these broker warrants);
- On September 18, 2020, the Company closed a Private Placement and issued 9,090,907 Units of the Company, at a price of $0.055 per Unit, for gross proceeds of $500,000; of which $489,000 was received in cash and $11,000 was issued in settlement of outstanding director fees (Note 11). In connection with the Issuance of the Units, the Company issued 9,090,907 Common Shares and 4,545,454 Warrants;
- On October 29, 2020, the Company issued 772,775 Common Shares, at a price of $0.08 per Common Share, in settlement of $61,822 in interest and an extension fee in relation to the Debentures (Note 9);
- On December 23, 2020, the Company closed a Private Placement and issued 15,384,615 Units of the Company, at a price of $0.065 per Unit, for gross proceeds of $1,000,000. In connection with the issuance of the Units, the Company issued 15,384,615 Common Shares and 7,692,308 Warrants; and
- On February 22, 2021, the Company closed a Private Placement and issued 6,666,333 Units of the Company, at a price of $0.075 per Unit, for gross proceeds of $499,975. In connection with the issuance of the Units, the Company issued 6,666,333 Common Shares and 3,333,166 Warrants.

10. SHARE CAPITAL (continued)

d) Warrants

During the year ended April 30, 2022, the Company issued the following warrants:

- On June 11, 2021 and in connection with a Private Placement, the Company issued 8,497,238 Warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method; and

- On June 11, 2021 and in connection with a Private Placement, the Company issued 238,562 broker warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share, valued at $12,550. The fair value of the Brokers Warrants of $12,550, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 160%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%.

During the year ended April 30, 2021, the Company issued the following warrants:

- On June 1, 2020, the Company issued 100,000 warrants to a consultant exercisable until May 31, 2021 at an exercise price of $0.10 per Common Share. These warrants were valued at $1,370 (see Note 10(f));

- On June 16, 2020 and in connection with a Private Placement, the Company issued 750,000 Warrants exercisable until June 15, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 20, 2020 and in connection with a Private Placement, the Company issued 4,250,000 Warrants exercisable until July 19, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 31, 2020 and in connection with a Private Placement, the Company issued 5,104,170 Warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 31, 2020 and in connection with a Private Placement, the Company issued 386,750 broker warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share, valued at $11,951. The fair value of the brokers warrants of $17,333, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 161%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%;

- On September 18, 2020 and in connection with a Private Placement, the Company issued 4,545,454 Warrants exercisable until September 17, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

d) Warrants (continued)

- On December 23, 2020 and in connection with a Private Placement, the Company issued 7,692,308 Warrants exercisable until December 22, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.; and

- On February 22, 2021 and in connection with a Private Placement, the Company issued 3,333,166 Warrants exercisable until February 21, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.

As at April 30, 2022, the Company had the following warrants issued and outstanding:

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, April 30, 2020	**4,258,400**	**0.34**
Issued (Consultant)	100,000	0.10
Issued	25,675,098	0.15
Issued (Broker warrants)	386,750	0.15
Expired	(306,400)	0.50
Expired	(357,000)	0.25
Outstanding, April 30, 2021	**29,756,848**	**0.17**
Issued	8,497,238	0.15
Issued (Broker warrants)	238,562	0.15
Expired	(120,000)	0.12
Expired	(200,000)	0.18
Outstanding, April 30, 2022	**38,172,648**	**0.17**

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

d) Warrants (continued)

As at April 30, 2022, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price ($)	Remaining Life (Years)	Expiry Date
750,000	0.15	0.138	June 15, 2022
4,250,000	0.15	0.19	June 19, 2022
5,104,170	0.15	0.25	July 30, 2022
386,750	0.15	0.25	July 30, 2022
4,545,454	0.15	0.38	September 17, 2022
7,692,308	0.15	0.65	December 22, 2022
3,333,166	0.15	0.72	February 21, 2023
1,500,000	0.25	0.77	March 14, 2023
1,100,000	0.45	0.77	March 14, 2023
575,000	0.25	1.94	April 8, 2024
200,000	0.45	1.94	April 8, 2024
8,497,238	0.15	1.12	June 11, 2023
238,562	0.15	1.12	June 11, 2023
38,172,648	**0.17**	**0.89**	

e) Stock options

On May 29, 2020, the Company granted 2,725,000 options to the Company's directors, officers and a consultant. These options were granted in accordance with the Company's stock option plan and are exercisable until May 28, 2023 at an exercise price of $0.10 per Common Share. These options vested on date of grant.

The Company calculated $0.04 as the fair value of option per option issued as compensation using the Black-Scholes option pricing model, for the 2,725,000 options with the following assumptions:

Expected life	3 years
Risk-free Interest rate	0.27%
Expected volatility	159%
Expected dividends yield	0%
Forfeiture rate	0%

On February 2, 2021, the Company granted 4,000,000 options to the Company's directors, officers and consultants. These options were granted in accordance with the Company's stock option plan and are exercisable until February 1, 2024 at an exercise price of $0.15 per Common Share. These options vested on date of grant.

The Company calculated $0.08 as the fair value per option issued using the Black-Scholes option pricing model, for the 4,000,000 options with the following assumptions:

Expected life	3 years
Risk-free Interest rate	0.27%
Expected volatility	153%
Expected dividends yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

e) Stock options (continued)

The Company recorded a share-based compensation expense in the amount of $nil (April 30, 2021 – $451,601).

As at April 30, 2022 and April 30, 2021, the Company had the following options issued and outstanding:

	Number of Options	Weighted Average Exercise Price ($)
Outstanding, April 30, 2020	**-**	**-**
Granted	2,725,000	0.10
Granted	4,000,000	0.15
Outstanding, April 30, 2022 and April 30, 2021	**6,725,000**	**0.13**

A summary of outstanding and exercisable stock options is as follows:

Outstanding	Exercisable	Exercise Price ($)	Remaining Life (Years)	Expiry Date
2,725,000	2,725,000	0.10	1.07	May 28, 2023
4,000,000	4,000,000	0.15	1.76	February 1, 2024
6,725,000	6,725,000	0.13	1.48	

f) Share-based Compensation

During the year ended April 30, 2022:

The Company did not issue any options during the year.

During the year ended April 30, 2021:

The Company recognizes compensation expense for all stock options and warrants granted as compensation using the fair value method of accounting. For the year ended April 30, 2021, the Company recorded share-based compensation expense of $1,370 for 100,000 Warrants issued to a consultant for services.

The Company calculated the fair value of warrants issued as compensation using the Black-Scholes option pricing model, for the 100,000 warrants with the following assumptions:

Expected life	1 year
Risk-free Interest rate	0.29%
Expected volatility	140%
Expected dividends yield	0%
Forfeiture rate	0%

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Board of Directors, close family members and enterprises that are controlled by such individuals as well as certain persons performing similar functions.

Transactions with key management personnel not disclosed elsewhere in these consolidated financial statements include the following:

During the years ended April 30, 2022 and 2021, amounts paid for key management services include the following:

		April 30, 2022		April 30, 2021
Fees for services of CEO	$	180,000	$	157,500
Fees for services of CFO		61,500		44,000
Fees for services of prior Executive Chairman		-		22,500
Fees for services of President		-		64,848
Management fees	**$**	**241,500**	**$**	**288,848**
Fees for services of Executive Chairman(1)		299,791		505,206
Fees for services of Chief Science Officer(2)		149,364		115,189
Director fees, included in consulting fees(3)		-		46,000
Share-based compensation to directors and officers from options issued (Note 10 (e))		-		235,705
	$	**690,655**	**$**	**1,190,948**

(1) Of the total fees to the Executive Chairman, $Nil (April 30, 2021 – $374,508) had been capitalized to intangible assets which was impaired as of April 30, 2021, with the remaining balance reflected in consulting fees.

(2) The total fees to the Chief Science Officer of $nil (2021: $115,189) had been capitalized to intangible assets and subsequently impaired as of April 30, 2021.

(3) Director fees for the year ended April 30, 2021 include $11,000 of fees which were settled on September 18, 2020 through the issuance of 200,000 Units in a Private Placement.

As at April 30, 2022, the Company had the following balances with related parties:

- Included in due from related parties is $nil (April 30, 2021 – $nil); and
- Included in accounts payable and accrued liabilities is $370,344 (April 30, 2021 – $49,456) due to related parties.

During the year ended April 30, 2022, the Company recorded bad debt expense in the amount of $nil (April 30, 2021: $$18,500) related to an amount due from related parties. Amounts due from related parties were non-interest bearing with no terms of repayment.

The right-of-use assets (Note 14), the lease obligations (Note 15), and rent of $114,958 (2021 – $95,988) for the year ended April 30, 2022, were paid to entities which are under common control with the Company.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, due from related party, other receivable, accounts payable, loan payable, and convertible debentures.

The Company's cash and cash equivalents is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The fair value of the Company's due from related party, accounts payable, loan payable and convertible debentures approximate their fair values due to their short-term nature. The Company's other receivable was measured at FVTPL due to the short-term duration of the receivable and the settlement of the receivable subsequent to year-end.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market risk

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at April 30, 2022, the Company had cash and cash equivalents of $nil (2021 - $239,829) and current liabilities of $2,556,753 (2021 - $1,206,039).

12. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives (continued)

The Company considers expected cash flow from financial assets in managing liquidity risk. The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosures have been made in Note 1.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at April 30, 2022 and 2021, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

13. RESEARCH AND DEVELOPMENT COSTS

Costs are incurred in connection with research and development programs that are expected to contribute to future earnings. Such costs include labor, training, patent expenses and consulting. These amounts are charged to the statement of net loss and comprehensive loss as incurred.

Total research and development expenses included were $953,000 (2021 – $nil) for the year ended April 30, 2022.

(Expressed in Canadian Dollars)

14. RIGHT-OF-USE ASSET

Balance, April 30, 2020	**$**	**370,178**
Addition during the year (Note 4)		165,626
Early termination of sub-leased premises		(323,906)
Amortization		(128,130)
Foreign exchange adjustment		(19,957)
Balance, April 30, 2021	**$**	**63,811**
Amortization		(65,293)
Foreign exchange adjustment		1,482
Balance, April 30, 2022	**$**	**-**

Right-of-use assets consisted of a sub-leased premise in Canada (which was terminated) and sub-lease of commercial space in Jamaica which is amortized over 18 months. During the year ended April 30, 2022, the Company amortized $65,293 (April 30, 2021 – $128,130) of its right-of-use assets.

15. LEASE LIABILITIES

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10% which is the Company's incremental borrowing rate. The effective interest rate is 10.47%. The continuity of the lease liabilities is presented in the table below:

Balance, April 30, 2020	**$**	**407,712**
Addition during the year (Note 4)		165,626
Interest accretion expense		25,270
Lease payments expensed during the year		(141,873)
Early termination of sub-leased premises (Note 13)		(370,063)
Foreign exchange adjustment		(20,141)
Balance, April 30, 2021	**$**	**66,531**
Interest accretion expense		2,455
Lease payments expensed during the year		(65,772)
Foreign exchange adjustment		(3,214)
Balance, April 30, 2022	**$**	**-**

As at April 30, 2022 and April 30, 2021:

		April 30, 2022		**April 30, 2021**
Less than one year	$	-	$	66,531
Greater than one year		-		-
Total lease obligation	**$**	**-**	**$**	**66,531**

16. CAPITAL MANAGEMENT

The Company's capital structure has been defined by management as being comprised of shareholders' equity. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its activities and general corporate costs. This is achieved by the Board of Directors review and acceptance of budgets that are achievable within existing resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows, budgets and targets.

The Company currently has no source of revenues; as such the Company is dependent upon external financing to fund its activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure the Company may adjust its operating expenditure plans, or issue new common shares and warrants.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants. There were no changes to the Company’s management of capital during the year.

17. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The following are non-cash transactions affecting cash flows from investing and financing activities during the years ended April 30, 2022 and 2021:

Year ended April 30, 2022:

- The Company issued 238,562 broker warrants valued at $12,550 as share issuance costs.

Year ended April 30, 2021

- The Company issued 36,000,000 Common Shares for the acquisition of 1196691 B.C. Ltd. (Note 4);
- The Company issued 386,750 Broker Warrants valued at $17,333 as share issuance costs;
- The Company settled $54,167 of accrued interest with the issuance of 1,083,340 Units as part of a Private Placement.
- The Company settled $12,604 of accrued interest; $29,218 of interest expense, and $20,000 of extension fees, recorded in convertible debt, with the issuance of 772,775 common shares; and
- The Company settled $11,000 of directors’ fees with the issuance of 200,000 Units as part of a Private Placement.

(Expressed in Canadian Dollars)

18. INCOME TAXES

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		April 30, 2022		**April 30, 2021**
Loss for the year	$	3,818,390	$	8,265,148
Tax rate		27%		27%
Expected income tax recoverable at statutory rate	$	(1,030,965)	$	(2,232,000)
Non-deductible items		270,000		123,000
Change due to acquisition, prior year tax return, and other		-		67,284
Share issuance costs		(6,963)		(12,000)
Change in unrecognized deductible temporary differences		767,928		1,915,212
Total income tax recovery	$	-	$	-

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		April 30, 2022		**April 30, 2021**
Deferred Tax Assets				
Non-capital losses available for future periods	$	3,417,965	$	2,387,000
Share issuance costs		97,000		76,000
Debt with accretion		-		-
Intangible assets, and property and equipment		2,093,430		1,093,430
ROU asset		-		(17,000)
Lease liability		-		18,000
		5,608,395		3,557,430
Unrecognized deferred tax assets		(5,608,395)		(3,557,430)
Total deferred tax assets	$	-	$	-

Tax attributes are subject to review and potential adjustment by tax authorities.

19. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current period. Such reclassifications did not have an impact on previously reported net loss and comprehensive loss.

20. SUBSEQUENT EVENTS

On May 2, 2022, the Company entered into a promissory note (the “Note Payable M”) with a non-arm’s length party for the principal amount of $25,000. The Note Payable M is unsecured, bears interest at 18% per annum and is due on demand.

On May 24, 2022, the Company entered into a promissory note (the “Note Payable N”) with a non-arm’s length party for the principal amount of $30,000. The Note Payable N is unsecured, bears interest at 18% per annum and is due on demand.

On June 23, 2022, the Company entered into a promissory note (the “Note Payable O”) with a non-arm’s length party for the principal amount of $25,000. The Note Payable O is unsecured, bears interest at 18% per annum and is due on demand.

On July 6, 2022, the Company entered into a promissory note (the “Note Payable P”) with a non-arm’s length party for the principal amount of $29,000. The Note Payable P is unsecured, bears interest at 18% per annum and is due on demand.

On July 14, 2022, the Company entered into a promissory note (the “Note Payable Q”) with a non-arm’s length party for the principal amount of $7,000. The Note Payable Q is unsecured, bears interest at 18% per annum and is due on demand.

On July 20, 2022, the Company entered into a promissory note (the “Note Payable R”) with a non-arm’s length party for the principal amount of $17,000. The Note Payable R is unsecured, bears interest at 18% per annum and is due on demand.

On September 15, 2022, the Company entered into a promissory note (the “Note Payable S”) with a non-arm’s length party for the principal amount of $5,000. The Note Payable Q is unsecured, bears interest at 18% per annum and is due on demand.

On October 5, 2022, the Company entered into a promissory note (the “Note Payable T”) with a non-arm’s length party for the principal amount of $16,705. The Note Payable T is unsecured, bears interest at 18% per annum and is due on demand.

On October 6, 2022, the Company entered into a promissory note (the “Note Payable U”) with a non-arm’s length party for the principal amount of $5,000. The Note Payable U is unsecured, bears interest at 18% per annum and is due on demand.

On October 17, 2022, the Company entered into a promissory note (the “Note Payable V”) with a non-arm’s length party for the principal amount of $15,000. The Note Payable V is unsecured, bears interest at 18% per annum and is due on demand.

On August 5, 2022, the Company received $100,000 being subscription for 9,090,909 common shares at $0.011 per share.

20. SUBSEQUENT EVENTS (continued)

On June 30, 2022, the Company entered into an asset purchase agreement (the “APA”) with Apollon Formularies PLC ("Apollon"), pursuant to which the Company sold four patent applications, and all associated supporting data to Apollon (collectively, the “Intellectual Property”). In consideration for the Intellectual Property, Apollon: (i) issued the Company an aggregate of 4,348,679 common shares in the capital of Apollon at a deemed price of £0.066 per common share; and (ii) agreed to pay the Company an indefinite royalty fee of 4% of the global net revenue generated by the Intellectual Property (the “Royalty”). The Royalty is payable quarterly in arrears, commencing upon the first commercial product sales utilizing the Intellectual Property.

On June 30, 2022, Dr. Stephen D. Barnhill resigned as a Director of the Company and from all subsidiary level appointments, and Dr. Herbert Fritsche resigned as Chief Science Officer of the Company. In connection with Dr. Barnhill’s resignation, the Company issued an aggregate of 5,500,000 common shares to settle all amounts owing by the Company and its subsidiaries to Dr. Barnhill.