AION THERAPEUTIC INC.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended January 31, 2024 and 2023

AION THERAPEUTIC INC.

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AION THERAPEUTIC INC.

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

April 1, 2024

Aion Therapeutic Inc.
Condensed Interim Consolidated Statements Financial Position
As at January 31, 2024 and April 30, 2023
(Unaudited - Expressed in Canadian Dollars)

	Notes	**January 31, 2024**	April 30, 2023
Assets			
Current assets:			
Cash		**$ 349,283**	$ 336
Harmonized sales tax receivable		**68,193**	197,381
Accounts receivable	15	**59,147**	-
Inventory	16	**400,245**	-
Prepaid expenses		**7,773**	-
		884,641	197,717
Equity investments	10	**12,955**	12,955
Property and equipment	4	**94,233**	-
Right-of-use asset	11	**92,842**	-
Goodwill	3	**4,803,081**	-
Total assets		**$ 5,887,752**	$ 210,672
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 2,820,198**	$ 1,966,198
Loans payable	6	**1,940,142**	970,300
Lease liability	12	**94,584**	-
Total Liabilities		**4,854,924**	2,936,498
Shareholders' equity (deficiency)			
Share capital	7	**19,430,095**	14,787,595
Contributed surplus		**391,486**	391,486
Warrant reserve		**653,404**	653,404
Share-based payment reserve		**1,597,354**	1,597,354
Share subscriptions received in advance		**-**	100,000
Accumulated other comprehensive loss		**(74,417)**	(178,464)
Accumulated deficit		**(20,965,094)**	(20,077,201)
Total shareholders' equity (deficiency)		**1,032,828**	(2,725,826)
Total liabilities and shareholders' equity (deficiency)		**$ 5,887,752**	$ 210,672

Nature of Operations and Going Concern 1

Approved by the Board of Directors on April 1, 2024.

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

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

Aion Therapeutic Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three and Nine Months Ended January 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	Notes	**Three months ended January 31, 2024**	Three months ended January 31, 2023 (Restated - Note 18)	**Nine months ended January 31, 2024**	Nine months ended January 31, 2023 (Restated - Note 18)
Revenue		**$ 222,043**	$ -	**$ 222,043**	$ -
Cost of revenue		**(58,322)**	-	**(58,322)**	-
Gross profit		**163,721**	-	**163,721**	-
Expenses					
Accretion		**$ 1,537**	$ 854	**$ 1,537**	$ 2,905
Advertising and marketing		**29,021**	-	**29,021**	-
Amortization of right-of-use assets		**11,630**	5,836	**11,630**	17,175
Consulting fees		**167,221**	68,341	**358,167**	214,682
Depreciation of property and equipment		**3,343**	-	**3,343**	-
Foreign exchange loss (gain)		**92,853**	62,530	**101,014**	(66,249)
Insurance		**759**	28,913	**62,959**	98,019
Interest expense		**46,797**	41,624	**117,578**	115,377
Interest income		**(2,466)**	-	**(11,166)**	-
Investor relations		**-**	46,850	**-**	81,850
Management fees	8	**60,000**	60,000	**180,000**	194,500
Office, administration and miscellaneous		**29,040**	442	**50,908**	3,206
Professional fees		**82,084**	25,587	**116,156**	159,262
Rent		**10,518**	1,546	**12,318**	4,602
Transfer agent and regulatory fees		**9,338**	9,442	**18,149**	32,794
		(541,675)	(351,965)	**(1,051,614)**	(858,123)
Reversal of impairment of equipment		**-**	135,185	**-**	135,185
Reversal of impairment of intangible assets	5	**-**	-	**-**	111,659
Gain on settlement of debt	5, 7(c)	**-**	1,059	**-**	563,295
Net loss for the period		**$ (377,954)**	$ (215,721)	**$ (887,893)**	$ (47,984)
Loss per share – basic and diluted		**$ (0.001)**	$ (0.001)	**$ (0.004)**	$ (0.001)
Weighted average number of common shares outstanding – basic and diluted		**315,897,095**	147,299,269	**217,838,218**	146,103,617
Net loss for the period		**$ (377,954)**	$ (215,721)	**$ (887,893)**	$ (47,984)
Foreign exchange translation adjustment		**100,496**	94,406	**104,047**	(104,612)
Comprehensive loss for the period		**$ (277,458)**	$ (121,315)	**$ (783,846)**	$ (152,596)

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

Aion Therapeutic Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
For the Nine Months Ended January 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares Outstanding	Share Capital	Subscriptions Received in Advance	Contributed Surplus	Warrant Reserve	Share-based Compensation Reserve	Accumulated Deficit (Restated – Note 18)	Accumulated Other Comprehensive Income (Loss) (Restated – Note 18)	Shareholders' Equity (Deficiency) (Restated – Note 18)
Balance as of April 30, 2022	**141,799,269**	**$ 14,705,095**	**$ -**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (19,820,543)**	**$ 66,595**	**$ (2,406,609)**
Shares issued for settlement (Note 7(c))	5,500,000	82,500	-	-	-	-	-	-	82,500
Share subscriptions received	-	-	100,000	-	-	-	-	-	100,000
Foreign currency translation	-	-	-	-	-	-	-	(104,612)	(104,612)
Net loss for the period (restated - Note 18)	-	-	-	-	-	-	(47,984)	-	(47,984)
Balance as at January 31, 2023	**147,299,269**	**$ 14,787,595**	**$ 100,000**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (19,868,527)**	**$ (38,017)**	**$ (2,376,705)**
Balance as of April 30, 2023	**147,299,269**	**$ 14,787,595**	**$ 100,000**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (20,077,201)**	**$ (178,464)**	**$ (2,725,826)**
Issuance of units on private placement (Note 7(c))	64,250,000	642,500	(100,000)	-	-	-	-	-	542,500
Acquisition of Toppen Health Inc.	200,000,000	4,000,000	-	-	-	-	-	-	4,000,000
Foreign currency translation	-	-	-	-	-	-	-	104,047	104,047
Net loss for the period	-	-	-	-	-	-	(887,893)	-	(887,893)
Balance as at January 31, 2024	**411,549,269**	**$ 19,430,095**	**$ -**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (20,965,094)**	**$ (74,417)**	**$ 1,032,828**

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

Aion Therapeutic Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended January 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

		Nine Months Ended January 31, 2024		Nine Months Ended January 31, 2023 (Restated - Note 18)
Cash flows from operating activities				
Net loss for the period	$	**(887,893)**	$	(47,984)
Items not involving cash:				
Accretion on lease obligation		**1,537**		2,905
Accrued interest payable		**117,578**		112,739
Accrued interest receivable		**(7,670)**		-
Amortization of right-of-use assets		**11,630**		17,175
Depreciation of property and equipment		**3,343**		-
Reversal on impairment of intangible asset		**-**		(111,659)
Reversal of impairment of equipment		**-**		(135,185)
Gain on settlement of debt		**-**		(563,295)
Non-cash working capital adjustments				
Harmonized sales tax receivable		**129,188**		(35,758)
Accounts receivable		**2,388**		-
Inventory		**(52,186)**		-
Prepaid expenses		**(1,750)**		7,655
Accounts payable and accrued liabilities		**647,672**		560,445
Total cash used in operating activities		**(36,163)**		(192,962)
Cash flows from investing activities				
Sale of equipment		**-**		135,185
Loans to Toppen prior to acquisition		**(289,422)**		-
Total cash provided by (used in) investing activities		**(289,422)**		135,185
Cash flows from financing activities				
Shares subscription received		**-**		100,000
Proceeds from private placement		**542,500**		-
Cash on acquisition of Toppen		**25,944**		-
Repayment of lease obligations		**(11,431)**		(19,020)
Proceeds from loans payable		**35,000**		236,594
Repayment of loans payable		**(805)**		(155,185)
Total cash provided by financing activities		**591,208**		162,389
Effect of foreign currency exchange rate changes		**83,324**		(104,612)
Total increase in cash during the period		**348,947**		-
Cash and cash equivalents - beginning of period		**336**		-
Cash and cash equivalents - end of period	$	**349,283**	$	-

The following are non-cash transactions affecting cash flows from investing and financing activities during the nine months ended January 31, 2024:

- The Company issued 21,375,000 Warrants in connection with a private placement (Note 7(c)); and
- The Company issued 10,750,000 Warrants in connection with a private placement (Note 7(c)); and
- The Company issued 200,000,000 common shares in connection with the Acquisition of Toppen (Note 3, 7(c)).

The following are non-cash transactions affecting cash flows from investing and financing activities during the nine months ended January 31, 2023:

- The Company issued 5,500,000 common shares valued at $82,500 on settlement of debt; and
- The Company received equity investments valued at $121,763 on sale of patents.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aion Therapeutic Inc. ("Aion" or the "Company") was incorporated on January 13, 2011 under the *Business Corporations Act* (British Columbia). The Company's registered office is located at 700 West Georgia Street, Suite 2200, Vancouver, BC, V7Y 1K8. The Company is publicly traded on the Canadian Securities Exchange under the symbol "AION".

The Company is a forward-thinking business within the health and wellness sector with a diverse portfolio of intellectual property. With a commitment to innovation and transformative solutions, the Company is poised to drive positive change to redefine the boundaries of health and wellness.

On December 15, 2023, the Company acquired all the outstanding shares of Toppen Health Inc. ("Toppen"), a US-based innovative health and wellness company, dedicated to delivering state-of-the-art water filtration solutions.

These condensed interim 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. As at January 31, 2024, the Company had cash of $349,283 (April 30, 2023 - $336), working capital deficit of $3,970,283 (April 30, 2023 - $2,738,781), and an accumulated deficit of $20,965,094 (April 30, 2023 - $20,077,201). The continuing operations of the Company are dependent on the Company receiving sufficient funding to support its operations. There is no assurance that the operations of Toppen will be profitable, or 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 condensed interim 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.

2. BASIS OF PRESENTATION

Basis of preparation

These condensed interim 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 condensed interim 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 1196691 B.C. Ltd. d/b/a "PCAI Pharma" have been determined to be the Canadian dollar. The functional currency of AI Pharmaceuticals Jamaica Limited ("AI Pharma") has been determined to be the Jamaican dollar and the functional currency of Toppen Health Inc. has been determined to be the United States dollar.

2. BASIS OF PRESENTATION (continued)

Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standards ("IAS") 34 – *Interim Financial Reporting* and do not include all information required for full annual consolidated financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financials for the year ended April 30, 2023. These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on April 1, 2024.

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 policies 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 condensed interim consolidated financial statements from the date that control commences until the date that control ceases. These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Toppen Health Inc., 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 condensed interim 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 (deficiency) and the disclosure of contingent assets and liabilities, as at the date of the condensed interim consolidated financial statements, and expenses for the periods reported.

<u>Critical Judgements</u>

The preparation of these condensed interim consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, 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 and the functional currency of Toppen Health Inc. has been determined to be the United States 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 condensed interim 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.

Impairment 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 the 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)

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. 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.

Impairment of intangible assets

The values associated with intangible assets involve significant estimates and assumptions, including discount rates and useful lives. At least annually, the carrying amount of intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the intangible assets 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)

Significant accounting policies

The accounting policies set out in the consolidated financial statements as of April 30, 2023 have been applied consistently to all periods presented in these condensed interim consolidated financial statements, except for the following standards noted below. The Company adopted the following IFRS standards during the three months ended January 31, 2024:

Revenue
Revenue from the sale of products is recognized when the significant risks and rewards of ownership have been transferred, generally at the date of transfer of ownership title. Revenue from the sale of goods is measured at the fair value of consideration received.

Inventory
Inventory for finished products are initially valued at cost, and subsequently at the lower of cost and net realizable value. Cost is determined using the weighted average costing method. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The Company reviews inventory for obsolete, redundant, and slow-moving goods and any such inventories identified are written down to net realizable value.

Business combinations
A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree.

The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Acquisition costs are expensed in statement of operations and comprehensive income (loss). Contingent consideration, if any, is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net assets acquired or net liabilities assumed, is recorded as goodwill. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

2. BASIS OF PRESENTATION (continued)

Significant accounting policies (continued)

Goodwill
Goodwill is initially measured at cost and is calculated as the excess of the purchase price for an acquired business over the fair value of acquired net identifiable assets and liabilities and is allocated to the cash generating units ("CGU") to which it relates. Goodwill is not amortized but is evaluated for impairment against the carrying amount of the CGU annually or more often if events or circumstances indicate that there may be an impairment. The carrying amount of a CGU includes the carrying amount of assets, liabilities and goodwill allocated to the CGU. If the recoverable amount is less than the carrying value, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the CGU and then to the other nonfinancial assets of the CGU proportionately based on the carrying amount of each asset. Any impairment loss is charged to income in the period in which the impairment is identified. Goodwill is stated at cost less accumulated impairment losses. Subsequent reversals of goodwill impairment are prohibited.

3. ACQUISITIONS

Acquisition of Toppen Health Inc.

On December 15, 2023, the Company completed the acquisition of all of the outstanding shares of Toppen Health Inc., a US-based innovative health and wellness company, dedicated to delivering state-of-the art water filtration solutions (the "Acquisition"). The Acquisition was completed pursuant to a definitive share purchase agreement dated October 10, 2023 (the "Purchase Agreement") with Toppen and shareholders holding a majority of the issued and outstanding shares of Toppen (the "Toppen Shares") and a separate share purchase agreement with the remaining Toppen shareholders, entered into on the closing of the Acquisition (the "Closing Purchase Agreement").

As consideration for the Acquisition, the Company issued 200,000,000 Common Shares of the Company at a price of $0.02 per share (the “Purchase Price”). The Company may also be required to pay contingent consideration of US $2,000,000 (the "Earn-Out Payment") if Toppen achieves revenue equal to or greater than US $5,000,000 for the period from October 18, 2023 to April 30, 2025. Eligible revenue for the purposes of the earn-out calculation must exceed forty percent gross margins.

The Earn-Out Payment is considered to be contingent consideration. As of December 15, 2023 and January 31, 2024, management has assessed that the Earnout Payment is not currently determinable and accordingly, has not recognized the Earnout Payment on these condensed interim consolidated financial statements.

In accordance with the Company’s accounting policies and *IFRS 3 – Business Combinations*, the measurement period for the Acquisition shall not exceed one year from acquisition date. Accordingly, the accounting for the Acquisition, including the net assets acquired, the Purchase Price, and the Earn-Out Payment, have only been provisionally determined as at January 31, 2024. The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the Purchase Price to the assets and liabilities acquired. The Company has yet to determine and value any intangible assets that may have been acquired as part of the Acquisition. Once this has been determined, the value of the provisional goodwill may change. These changes may be material.

(Unaudited - Expressed in Canadian Dollars)

3. ACQUISITIONS (continued)

Consideration		
200,000,000 Common Shares at a value of $0.02 per share	**$**	**4,000,000**
Purchase Price Allocation		
Cash	$	25,944
Accounts receivable		61,535
Inventory		348,059
Prepaid expenses		6,023
Furniture and equipment		97,368
Right-of-use asset		104,300
Accounts payable and accrued liabilities		(206,328)
Lease liability		(104,300)
Loans payable		(1,135,682)
Provisional amount allocated to Goodwill		4,803,081
	$	**4,000,000**

4. PROPERTY AND EQUIPMENT

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

		Furniture and Equipment		Total
Cost				
Balance at April 30, 2022[b]	**$**	**-**	**$**	**-**
Reversal of impairment[c]		135,185[a]		135,185
Sale of equipment[c]		(135,185)		(135,185)
Balance at April 30, 2023	**$**	**-**	**$**	**-**
Additions [d]		97,368		97,368
Foreign currency translation		208		208
Balance at January 31, 2024	**$**	97,576	**$**	97,576
Accumulated Depreciation				
Balance on April 30, 2022	$	-	$	-
Depreciation		-		-
Balance at April 30, 2023	**$**	**-**	**$**	**-**
Depreciation		3,343		3,343
Balance at January 31, 2024	**$**	3,343	**$**	3,343
Net Book Value				
Balance, January 31, 2024	**$**	**94,233**	**$**	**94,233**
Balance, April 30, 2023	**$**	**-**	**$**	**-**

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

b) As at April 30, 2022, the two Extraction Systems were fully impaired to $nil due to no indication of a future economic benefit being generated.

c) On January 31, 2023, the Company sold its fully impaired Extraction Systems for $135,185, which proceeds were received directly by the promissory note holder (Note 6).

d) The additions of equipment relate to the Acquisition of Toppen (Note 3).

(Unaudited - Expressed in Canadian Dollars)

5. INTANGIBLE ASSETS

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

	Intellectual Property	Patents	Total
Cost			
Balance at April 30, 2022	**$ -**	**$ -**	**$ -**
Reversal of impairment on patents	-	111,659	111,659
Sale of patents	-	(111,659)	(111,659)
Balance at April 30, 2023	**$ -**	**$ -**	**$ -**
Additions (disposals)	-	-	-
Impairment	-	-	-
Balance at January 31, 2024	**$ -**	**$ -**	**$ -**
Net Book Value			
Balance, January 31, 2024 and April 30, 2023	**$ -**	**$ -**	**$ -**

The Company's intangible assets relate to the development of intellectual property and development of a patent portfolio. During the year ended April 30, 2021, these intangible assets were fully impaired to $nil due to lack of revenue from the AI Pharma.

On June 30, 2022, the Company entered into an asset purchase agreement (the "APA") with Apollon Formularies PLC ("Apollon"), a public company related by common director, 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 issued to the Company an aggregate of 4,348,679 common shares in the capital of Apollon (Note 10). The Company recorded a reversal of impairment at $111,659 and gain on the sale of $10,104 during the year ended April 30, 2023.

6. LOANS PAYABLE

The Company's loans payable were comprised of the following:

- Promissory notes, inclusive of accrued interest, outstanding in the amount of $744,061 during the year ended April 30, 2022. During the year ended April 30, 2023, the Company entered into various promissory notes with non-arm's length parties for the principal amount of $237,594. These promissory notes are unsecured, bear interest at 18% per annum and are due on demand. The Company repaid $155,185 of these promissory notes during the year ended April 30, 2023, which included proceeds from the sale of equipment for $135,185 received directly by the promissory note holder and applied against the principal amount of the promissory notes (Note 4);

- A promissory note in the amount of $35,000 entered into during the nine months ended January 31, 2024. This amount is unsecured, bears interest at 12% per annum and payable within one year;

6. LOANS PAYABLE (continued)

- As part of the Acquisition of Toppen, the Company assumed loans payable to previous shareholders of Toppen in the amount of $407,643 (US $304,279). These loans were unsecured, non-interest bearing, and with no set terms of repayment; and

- As part of the Acquisition of Toppen, the Company assumed a loan payable to an arms-length party in the principal amount of $401,910 (US $300,000). This loan payable is interest bearing at prime plus three percent, and matures on May 1, 2024. As at January 31, 2023, the amount of principal and accrued interest amounted to $422,697 (US $315,516).

Interest expense in the amount of $117,578 was recorded for the nine months ended January 31, 2024 (January 31, 2023 – $112,739). As at January 31, 2024, the outstanding loans payable, including accrued interest, amounted to $1,940,142 (April 30, 2023 – $970,300).

7. 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 regard to the Company's residual assets.

As at January 31, 2024, the Company had 411,549,269 (April 30, 2023 – 147,299,269) Class A common shares issued and outstanding. There were no issuances of Class C common shares during the nine months ended January 31, 2024 and year ended April 30, 2023.

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 Class B non-voting preferred shares during the nine months ended January 31, 2024 and year ended April 30, 2023.

7. SHARE CAPITAL (continued)

c) Share issuances

Nine months ended January 31, 2024

During the nine months ended January 31, 2024, the Company completed two tranches of non-brokered private placements (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 eighteen months from the closing date at a price of $0.10 per common share. The proceeds from the issuance of Units are allocated between share capital and warrants. The Company has adopted the residual method with respect to the measurement of the Warrants and accordingly the difference between the proceeds raised and the value of the common shares is the residual fair value of the Warrants. During the nine month period ended January 31, 2024, the value to Warrants assigned for Private Placement was $nil.

During the nine months ended January 31, 2024, the Company issued the following common shares:

- On December 15, 2023, the Company issued 200,000,000 common shares valued at $0.02 per share for the Acquisition of Toppen Health Inc. (Note 3);
- On October 5, 2023, the Company closed a Private Placement and issued 21,500,000 Units of the Company, at a price of $0.01 per Unit, for gross proceeds of $215,000. In connection with the issuance of the Units, the Company issued 21,500,000 common shares and 10,750,000 Warrants; and
- On August 14, 2023, the Company closed a Private Placement and issued 42,750,000 Units of the Company, at a price of $0.01 per Unit, for gross proceeds of $427,500. Inclusive of the gross proceeds was the subscriptions received in the amount of $100,000 during the year ended April 30, 2023. In connection with the issuance of the Units, the Company issued 42,750,000 common shares and 21,375,000 Warrants.

Year ended April 30, 2023

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 valued at $82,500 to settle all amounts owed by the Company and its subsidiaries to Dr. Barnhill. The Company recorded a gain of $552,132 on this settlement.

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Warrants

As at January 31, 2024, the Company had the following share purchase warrants issued and outstanding:

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, April 30, 2022	**38,172,648**	**0.17**
Expired	(28,661,848)	-
Outstanding, April 30, 2023	**9,510,800**	**0.16**
Issued	32,125,000	0.10
Expired	(8,735,800)	0.15
Outstanding, January 31, 2024	**32,900,000**	**0.10**

As at January 31, 2024, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price ($)	Remaining Life (Years)	Expiry Date
575,000	0.25	0.19	April 8, 2024
200,000	0.45	0.19	April 8, 2024
21,375,000	0.10	1.04	February 14, 2025
10,750,000	0.10	1.18	April 5, 2025
32,900,000	**0.10**	**1.07**	

e) Stock options

The Company did not grant any options during the nine months ended January 31, 2024 and the year ended April 30, 2023. As at January 31, 2024 and April 30, 2023, the Company had the following options issued and outstanding:

	Number of Options	Weighted Average Exercise Price ($)
Outstanding, April 30, 2023	**6,725,000**	**0.13**
Expired	(2,725,000)	0.10
Cancelled	(2,250,000)	0.15
Outstanding, January 31, 2024	**1,750,000**	**0.15**

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

Outstanding	Exercisable	Exercise Price ($)	Remaining Life (Years)	Expiry Date
1,750,000	1,750,000	0.15	0.01	February 1, 2024

(Unaudited - Expressed in Canadian Dollars)

8. 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 condensed interim Condensed Interim Consolidated financial statements include the following:

During the three and nine months ended January 31, 2024, amounts expensed for key management services include the following:

	Three months ended January 31, 2024	Nine months ended January 31, 2024
Fees for services of CEO	$ 45,000	$ 135,000
Fees for services of CFO	15,000	45,000
Fees for services of Director	-	-
Management fees	**$ 60,000**	$ **180,000**

During the three and nine months ended January 31, 2023, amounts expensed for key management services include the following:

	Three months ended January 31, 2023	Nine months ended January 31, 2023
Fees for services of CEO	$ 45,000	$ 135,000
Fees for services of CFO	15,000	45,000
Fees for services of Director	-	14,500
Management fees	**$ 60,000**	$ **194,500**

As at January 31, 2024, the Company had the following balances with related parties:

- Included in due from related parties is $nil (April 30, 2023 - $nil); and
- Included in accounts payable and accrued liabilities is $282,450 (April 30, 2023 – $283,500) due to related parties.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, equity investments, accounts receivable, accounts payable and loans payable.

The Company's cash and equity investment 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 accounts receivable, accounts payable and loans payable approximate their fair values due to their short-term nature.

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

9. FINANCIAL INSTRUMENTS (continued)

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 January 31, 2024, the Company had cash and cash equivalents of $349,283 and current liabilities of $4,854,924.

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 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 exposed to interest rate risk on one of its loans payable that is based on a variable interest rate.

(Unaudited - Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (continued)

(b) Price risk

The Company is exposed to significant price risk via its equity investment (Note 10), as this is based on the price in the quoted market.

(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 timings. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at January 31, 2024 and April 30, 2023, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

10. EQUITY INVESTMENTS

On June 30, 2022, the Company entered into an asset purchase agreement (the “APA”) with Apollon Formularies PLC ("Apollon"), a public Company controlled by common director, Dr. Stephen D. Barnhill. Pursuant to the APA, 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 consideration of $0.028 (£0.018) 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. These patents were considered impaired and written off in prior years. The Company reversed the impairment for patents for $111,659 (Note 5) and recorded the investment in equity for $121,763 with a $10,104 gain on settlement. As at the year ended April 30, 2023, these investments were measured at $12,955 with an unrealized loss of $108,808 recorded in the consolidated statement of loss and comprehensive loss.

11. RIGHT-OF-USE ASSET

Balance, April 30, 2022	**$**	**-**
Addition during the year		45,093
Amortization		(17,301)
Early termination of sub-leased premises		(28,511)
Foreign exchange adjustment		719
Balance, April 30, 2023	**$**	**-**
Addition during the period		104,300
Amortization		(11,630)
Foreign exchange adjustment		172
Balance, January 31, 2024	**$**	**92,842**

During the period ended January 31, 2024, the right-of-use asset was from the Acquisition of Toppen (Note 3) related to a commercial lease space. During the year ended April 30, 2023 right-of-use asset consisted of a sub-lease of commercial space in Jamaica. The Company terminated the Jamaica lease and recorded a net gain of $1,059 during the year ended April 30, 2023.

During the nine months ended January 31, 2024, the Company amortized $11,630 (January 31, 2023 – $17,175) of its right-of-use asset.

(Unaudited - Expressed in Canadian Dollars)

12. 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, 2022	**$**	**-**
Addition during the year		45,093
Interest accretion expense		2,927
Lease payments made during the year		(19,160)
Early termination of sub-leased premises		(29,570)
Foreign exchange adjustment		710
Balance, April 30, 2023	**$**	**-**
Addition during the period		104,300
Interest accretion expense		1,537
Lease payments made during the period		(11,431)
Foreign exchange adjustment		178
Balance, January 31, 2024	**$**	**94,584**

13. LOANS AND ADVANCES

Prior to the Acquisition of Toppen on December 15, 2023, the Company had advanced loans for $289,422 (US $217,500) to Toppen under various promissory notes. The promissory notes bear interest at 10% per annum.

Interest income in relation to these loans and advances in the amount of $7,670 was recorded for the period up to December 15, 2023 (January 31, 2023 – $nil).

14. 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 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 debt or equity instruments. 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.

(Unaudited - Expressed in Canadian Dollars)

15. ACCOUNTS RECEIVABLE

The Company assumes that the credit risk on a financial asset has increased if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Accounts receivable as of January 31, 2024 was $59,147 (April 30, 2023 - $nil)

16. INVENTORY

The Company had $400,245 and $nil of inventory as at January 31, 2024 and April 30, 2023, respectively. The value of the inventory is valued at the lower of cost or net realizable value and was comprised of finished goods as at the reporting dates above.

17. SEGMENTED INFORMATION

During the period ended January 31, 2024, the Company had one operating segment, being health and wellness, dedicated to delivering state-of-the-art water filtration solutions.

Selected segmented financial information is as follows:

		January 31, 2024		January 31, 2023
Revenues				
United States	$	222,043	$	-
Canada		-		-
	$	**222,043**	**$**	**-**

The Company's assets are located in Canada except for cash of $97,029 (April 30, 2023 - $nil); accounts receivable of $59,147 (April 30, 2023 - $nil); inventory of $400,245 (April 30, 2023 - $nil); prepaid expenses of $6,023 (April 30, 2023 - $nil); and property and equipment for $94,233 (April 30, 2023 - $nil) which are located in the United States.

The following table summarizes the amount of revenue and profit and loss of Toppen, since the acquisition date of December 15, 2023 to January 31, 2024, included in these condensed interim consolidated statements of loss and comprehensive loss

		Toppen from December 16, 2023 to January 31, 2024
Revenue	$	222,043
Net loss	$	1,830

(Unaudited - Expressed in Canadian Dollars)

18. RESTATEMENT OF PRIOR PERIOD COMPARATIVE FINANCIAL STATEMENTS

The comparative condensed interim consolidated financial statements for the nine months ended January 31, 2023 are restated to reflect the reversal of the impairment of intangible assets and adjustment to the gain on settlement of debt. There are no changes to the financial statements for the three months ended January 31, 2023. There are no changes to the total cash used in operating activities or total cash provided by financing activities for the nine months ended January 31, 2023.

The effect of the changes in the comparative condensed interim consolidated financial statements is summarized as follows:

	For the Nine Months Ended January 31, 2023	
	Prior to Restatement	**Restated**
	$	**$**
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss):		
Foreign exchange gain	(77,882)	**(66,249)**
Total operating loss	(846,490)	**(858,123)**
Reversal of impairment of intangible assets	-	**111,659**
Gain on settlement of debt	1,177,038	**563,295**
Net income (loss) for the period	466,792	**(47,984)**
Income (loss) per share-basic	0.003	**(0.0003)**
Income per share-diluted	0.003	**-**
Comprehensive income (loss) for the period	362,180	**(152,596)**
Condensed Interim Consolidated Statements of Cash Flows:		
Net income (loss) for the period	466,792	**(47,984)**
Items not involving cash:		
Reversal of impairment of intangible assets	-	**(111,659)**
Gain on settlement of debt	(1,177,038)	**(563,295)**
Non-cash working capital adjustment:		
Accounts payable and accrued liabilities	548,812	**560,445**