AION THERAPEUTIC INC.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three Months Ended July 31, 2024 and 2023

AION THERAPEUTIC INC.

Table of Contents

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.

November 8, 2024

Aion Therapeutic Inc.

Condensed Interim Consolidated Statements of Financial Position

As at July 31, 2024 and April 30, 2024

(Unaudited - Expressed in Canadian Dollars)

	Notes		July 31, 2024		April 30, 2024
Assets					
Current assets:					
Cash		$	80,956	$	68,336
Accounts receivable	13		39,939		4,762
Inventory	14		527,205		402,901
Harmonized sales tax receivable			27,825		45,609
Prepaid expenses			398,524		10,250
			1,074,449		531,858
Property and equipment	5		90,672		97,225
Right-of-use asset	11		51,881		73,778
Total assets		$	1,217,002	$	702,861
Liabilities and shareholders' deficiency					
Current liabilities:					
Accounts payable and accrued liabilities		$	2,767,847	$	2,493,171
Loans payable	7		2,453,301		2,008,075
Lease liability	12		49,931		73,464
			5,271,079		4,574,710
Shareholders' deficiency					
Share capital	8		20,180,095		19,430,095
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	8		-		550,000
Accumulated other comprehensive income (loss)			(141,208)		(129,791)
Accumulated deficit			(26,735,208)		(26,364,397)
Total shareholders' deficiency			(4,054,077)		(3,871,849)
Total liabilities and shareholders' deficiency		$	1,217,002	$	702,861

Nature of Operations and Going Concern	1
Subsequent events	18

Approved by the Board of Directors on November 8, 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 Loss and Comprehensive Loss
For the Three Months Ended July 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	Notes		2024		2023
Revenue		$	434,860	$	-
Cost of revenue			(241,444)		-
Gross profit			193,416		-
Operating expenses					
Accretion	12	$	1,961	$	-
Advertising and marketing			3,500		-
Amortization of right-of-use asset	11		22,053		-
Consulting fees			190,226		68,527
Depreciation of property and equipment			6,623		-
Foreign exchange loss			361		131,762
Insurance			2,765		32,400
Interest expense			51,249		31,516
Investor relations			10,000		-
Management fees	9		60,000		60,000
Office, administration and miscellaneous			62,393		265
Professional fees			13,210		-
Rent			5,801		600
Salaries and wages			127,155		-
Transfer agent and regulatory fees			6,930		3,510
Total operating expenses			564,227		328,580
Net loss for the period		$	(370,811)	$	(328,580)
Loss per share – basic and diluted		$	(0.001)	$	(0.002)
Weighted average number of common shares outstanding - Basic and diluted			452,310,139		147,299,269
Net loss for the period		$	(370,811)	$	(328,580)
Foreign currency translation adjustment			(11,417)		178,946
Comprehensive loss for the period		$	(382,228)	$	(149,634)

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

Aion Therapeutic Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the Three Months Ended July 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	Accumulated other comprehensive income (loss)	Shareholders' Equity (Deficiency)
Balance as at 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)**
Subscriptions received in advance	-	-	155,000	-	-	-	-	-	155,000
Foreign currency translation	-	-	-	-	-	-	-	178,946	178,946
Net loss for the period	-	-	-	-	-	-	(328,580)	-	(328,580)
Balance as at July 31, 2023	**147,299,269**	**$ 14,787,595**	**$ 255,000**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (20,405,781)**	**$ 482**	**$ (2,720,460)**
Balance as at April 30, 2024	**411,549,269**	**$ 19,430,095**	**$ 550,000**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (26,364,397)**	**$ (129,791)**	**$ (3,871,849)**
Issuance of units for private placement (Note 8(c))	50,000,000	750,000	(550,000)	-	-	-	-	-	200,000
Foreign currency translation	-	-	-	-	-	-	-	(11,417)	(11,417)
Net loss for the period	-	-	-	-	-	-	(370,811)	-	(370,811)
Balance as at July 31, 2024	**461,549,269**	**$ 20,180,095**	**$ -**	**$ 391,486**	**$ 653,404**	**$ 1,597,354**	**$ (26,735,208)**	**$ (141,208)**	**$ (4,054,077)**

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 Three Months Ended July 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	2024	2023
Cash flows from operating activities		
Net loss for the period	$ (370,811)	$ (328,580)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accrued interest on debt	50,541	34,448
Accretion on lease obligation	1,961	-
Amortization of right-to-use asset	22,053	-
Depreciation of property and equipment	6,623	-
Non-cash working capital adjustments		
Accounts receivable	(35,177)	-
Inventory	(124,304)	-
Harmonized sales tax receivable	17,784	157,675
Prepaid expenses	(388,274)	-
Accounts payable and accrued liabilities	274,676	(99,129)
Total cash used in operating activities	(544,928)	(235,586)
Cash flows from investing activities		
Loans to Toppen prior to acquisition	-	(64,776)
Total cash used in investing activities	-	(64,776)
Cash flows from financing activities		
Proceeds from loans payable	415,229	-
Repayment of loan payable	(20,544)	-
Repayment of lease obligation	(25,635)	-
Subscriptions received in advance	-	155,000
Proceeds from private placement	200,000	-
Total cash provided by financing activities	569,050	155,000
Effects of foreign currency exchange rate changes	(11,502)	178,946
Total increase in cash during the year	12,620	33,584
Cash - beginning of year	68,336	336
Cash - end of year	$ 80,956	$ 33,920

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

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 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 July 31, 2024, the Company had cash of $80,956 (April 30, 2024 - $68,336), working capital deficit of $4,196,630 (April 30, 2024 - $4,042,852), and an accumulated deficit of $26,735,208 (April 30, 2024 - $26,364,397). 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.

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 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.

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 financial statements for the year ended April 30, 2024. 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 November 8, 2024.

2. BASIS OF PRESENTATION (continued)

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: 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 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 consolidated financial statements, and expenses for the periods reported.

Critical Judgements

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 and the functional currency of Toppen Health Inc. has been determined to be the United States dollar.

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.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

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 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.

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.

Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of these consolidated financial statements.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Key Sources of Estimation Uncertainty (continued)

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.

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.

Revenue recognition

Application of the accounting principles related to the measurement and recognition of revenue requires the Company to make judgments and estimates. Revenue arrangements may be comprised of multiple performance obligations. Judgment is required in determining the performance obligations that exist in an arrangement and the nature of these deliverables. Management also applies judgement in the calculation of the estimated life of a contract, the value of amounts recoverable on contracts and the timing of revenue recognition.

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.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policy information set out in the consolidated financial statements as at and for the year ended April 30, 2024 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(Unaudited - Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

The following IFRS standards have been recently issued by the IASB. Pronouncements that are irrelevant or not expected to have a significant impact have been excluded.

Amendments to IAS 1: Covenants
The amendment clarifies how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendment applies retrospectively for annual periods beginning on or after January 1, 2024. Management will perform this assessment each reporting period as required and evaluate the potential impact of this standard on the Company's consolidated financial statements.

4. 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"). Of the 200,000,000 Common Shares issued, 155,000,000 were related to the acquisition of the Toppen Shares while 45,000,000 Common Shares of the Company were paid to an advisor of Toppen in connection with certain M&A services relating to the Acquisition. 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.

Consideration		
155,000,000 common shares at a value of $0.02 per share	**$**	**3,100,000**
Purchase Price Allocation		
Cash	$	25,614
Accounts receivable		18,327
Inventory		326,009
Prepaid expenses		17,597
Furniture and equipment		109,177
Right-of-use asset		100,525
Accounts payable and accrued liabilities		(274,070)
Lease liability		(100,525)
Loans payable		(1,100,179)
Intangible assets		2,014,352
Loss on acquisition		1,963,173
	$	**3,100,000**

(Unaudited - Expressed in Canadian Dollars)

4. ACQUISITIONS (continued)

The Earn-Out Payment is considered to be contingent consideration. As of December 15, 2023 and April 30 2024, management has assessed that the Earnout Payment is not currently determinable and accordingly, has not recognized the Earnout Payment on these 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 April 30, 2024. The above 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 the impact of the contingent consideration on the Acquisition. Once this has been determined, the purchase price allocation may change and such changes may be material.

The Company recorded a loss on acquisition in the amount of $2,863,173 which was comprised of $1,963,173 as the amount of goodwill which was immediately impaired at the time of the Acquisition; and $900,000 of M&A fees paid as 45,000,000 common shares issued on the date of Acquisition, as discussed above.

As at April 30, 2024, the Company determined that the intangible assets acquired were to be impaired as a result of the lack of positive cash-flows due to Toppen being in the early stage of its business cycle. During the year ended April 30, 2024, the Company recorded an impairment of intangible assets in the amount of $2,014,352, which was reported on the Company's consolidated statements of operations and comprehensive loss.

5. PROPERTY AND EQUIPMENT

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

		Furniture and Equipment		Computer Equipment	Total
Cost					
Balance at April 30, 2023	**$**	**-**	**$**	**-**	**-**
Additions [(a)]		105,529		3,648	109,177
Foreign currency translation		1,061		84	1,145
Balance at April 30, 2024	**$**	**106,590**	**$**	**3,732**	**110,332**
Additions (disposals)		-		-	-
Foreign currency translation		68		2	70
Balance at July 31, 2024	**$**	**106,658**	**$**	**3,734**	**110,392**
Accumulated Depreciation					
Balance on April 30, 2023	$	-	$	-	-
Depreciation		12,157		940	13,097
Balance at April 30, 2024	**$**	**12,157**	**$**	**940**	**13,097**
Depreciation		6,051		572	6,623
Balance at July 31, 2024	**$**	**18,208**	**$**	**1,512**	**19,720**
Net Book Value					
Balance, July 31, 2024	**$**	**88,450**	**$**	**2,222**	**90,672**
Balance, April 30, 2024	**$**	**94,233**	**$**	**2,792**	**97,225**

a) The additions of equipment relate to the Acquisition of Toppen (Note 4).

(Unaudited - Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS

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

	Intangible	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	**$ -**	**$ -**	**$ -**
Acquisition of Toppen (Note 4)	2,014,352	-	2,014,352
Impairment	(2,014,352)	-	(2,014,352)
Balance at July 31, 2024 and April 30, 2024	**$ -**	**$ -**	**$ -**
Net Book Value			
Balance, July 31, 2024 and April 30, 2024	**$ -**	**$ -**	**$ -**

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. The Company recorded a reversal of impairment at $111,659 and gain on sale at $10,104.

On December 15, 2023, the Company completed the acquisition of Toppen (Note 4). The Company recognized $2,014,352 of intangible assets related to Toppen's intellectual property as at December 15, 2023. During the year ended April 30, 2024, these intangible assets were fully impaired to $nil as a result of the lack of positive cash-flows due to Toppen being in the early stage of its business cycle (Note 4).

7. 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;

7. LOANS PAYABLE (continued)

- A promissory note in the amount of $35,000 entered into during the year ended April 30, 2024. This amount is unsecured, bears interest at 12% per annum and due on demand;

- As part of the Acquisition of Toppen, the Company assumed loans payable to previous shareholders of Toppen in the amount of $422,386 (US $307,279). These loans were unsecured, non-interest bearing, and with no set terms of repayment. Subsequent to quarter-end, the Company entered into a settlement agreement in connection with this loan (Note 18);

- As part of the Acquisition of Toppen, the Company assumed a loan payable to an arms-length party in the principal amount of $412,380 (US $300,000). This loan payable is interest bearing at prime plus three percent, and matures on May 31, 2024. As at July 31, 2024, the amount of principal and accrued interest amounted to $435,691 (April 30, 2024 - $441,422); and

- On May 26, 2024, the Company entered into a loan agreement with non-arm's length parties in the principal amount of US $300,000 (the "May Loan"). The loan is secured and bears interest at 3.5% per month, maturing on August 31, 2024. On September 6, 2024, the Company extended the maturity of the May Loan to October 31, 2024 and agreed to an extension fee of two percent per month.

Interest expense in the amount of $50,541 was recorded for the three months July 31, 2024 (July 31, 2023 – $34,448). As at July 31, 2024, the outstanding loans payable, including accrued interest, amounted to $2,453,301 (April 30, 2024 – $2,008,075).

8. 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 July 31, 2024, the Company had 461,549,269 (April 30, 2024 – 411,549,269) class A common shares issued and outstanding. There were no issuances of Class C common shares during the three months ended July 31, 2024 and year ended April 30, 2024.

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 three months ended July 31, 2024 and year ended April 30, 2024.

8. SHARE CAPITAL (continued)

c) Share issuances

Year ended April 30, 2024

During the three months ended July 31, 2024 and year ended April 30, 2024, the Company completed one (April 30, 2024 – 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 year ended April 30, 2024, the value to Warrants assigned for Private Placement was $nil.

During the three months ended July 31, 2024, the Company issued the following common shares:

- On May 17, 2024, the Company closed a non-brokered private placement offering (the "May Offering") and issued 50,000,000 units (the "May Units") at a price of $0.015 per May Unit for gross proceeds of $750,000. In connection with the issuance of the May Units, the Company issued 50,000,000 common shares of the Company and 50,000,000 share purchase warrants, exercisable for eighteen months post the May Offering, exercisable at $0.05 per share.

During the year ended April 30, 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 4);
- 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.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

d) Warrants

The Company issued share purchase warrants in relation to its private placement Note 8 (c) during the three months ended July 31, 2024 and year ended April 30, 2024.

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

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, April 30, 2023	**9,510,800**	**0.16**
Issued	32,125,000	0.10
Expired	(8,735,800)	0.15
Expired	(575,000)	0.25
Expired	(200,000)	0.45
Outstanding, April 30, 2024	**32,125,000**	**0.10**
Issued	50,000,000	0.05
Outstanding, July 31, 2024	**82,125,000**	**0.07**

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

Outstanding	Exercise Price ($)	Remaining Life (Years)	Expiry Date
21,375,000	0.10	0.54	February 14, 2025
10,750,000	0.10	0.68	April 5, 2025
50,000,000	0.05	1.38	November 17, 2025
82,125,000	**0.07**	**1.07**	

As at April 30, 2024, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price ($)	Remaining Life (Years)	Expiry Date
21,375,000	0.10	0.79	February 14, 2025
10,750,000	0.10	0.93	April 5, 2025
32,125,000	**0.10**	**0.84**	

e) Stock options

The Company did not grant any options during the three months ended July 31, 2024 and year ended April 30, 2024.

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

	Number of Options	Weighted Average Exercise Price ($)
Outstanding, April 30, 2023	**6,725,000**	**0.13**
Expired	(2,725,000)	0.10
Expired	(4,000,000)	0.15
Outstanding, April 30, 2024	**-**	**-**
Issued (expired)	-	-
Outstanding, July 31, 2024	**-**	**-**

(Unaudited - Expressed in Canadian Dollars)

9. 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 consolidated financial statements include the following:

During the three months ended July 31, 2024 and 2023, amounts expensed for key management services include the following:

		July 31, 2024		July 31, 2023
Fees for services of CEO	$	45,000	$	45,000
Fees for services of CFO		15,000		15,000
Fees for services of Director		-		-
	$	**60,000**	**$**	**60,000**

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

- Included in due from related parties is $nil (April 30, 2024 – $nil); and
- Included in accounts payable and accrued liabilities is $224,375 (April 30, 2024 – $215,150) due to related parties.

10. FINANCIAL INSTRUMENTS

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

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.

10. FINANCIAL INSTRUMENTS (continued)

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 July 31, 2024, the Company had cash of $80,956 (April 30, 2024 – $68,336) and current liabilities of $5,271,079 (April 30, 2024 – $4,574,710).

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 as the terms of its loans payable are based on fixed interest rates.

(b) Price risk

The Company is exposed to significant price risk via its equity investment (Note 14), 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 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 July 31, 2024 and April 30, 2024, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

(Unaudited - Expressed in Canadian Dollars)

11. RIGHT-OF-USE ASSET

Balance, April 30, 2023	**$**	**-**
Addition from Toppen (Note 4)		100,525
Amortization		(29,009)
Foreign exchange adjustment		2,262
Balance, April 30, 2024	**$**	**73,778**
Amortization		(22,053)
Foreign exchange adjustment		156
Balance, July 31, 2024	**$**	**51,881**

During the three months ended July 31, 2024, and year ended April 30, 2024, the right-of-use asset was from the Acquisition of Toppen (Note 4) related to a commercial lease space.

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, 2023	**$**	**-**
Addition from Toppen (Note 4)		100,525
Interest accretion expense		3,637
Lease payments made during the year		(32,955)
Foreign exchange adjustment		2,257
Balance, April 30, 2024	**$**	**73,464**
Interest accretion expense		1,961
Lease payments made during the period		(25,635)
Foreign exchange adjustment		141
Balance, July 31, 2024	**$**	**49,931**

13. 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 July 31, 2024 amounted to $39,939 (April 30, 2024 - $4,762)

14. INVENTORY

The Company had $527,205 (April 30, 2024 - $402,901) of inventory as at July 31, 2024. The Company's cost of revenue related to these inventory during the three months ended July 31, 2024 amounted to $241,444 (July 31, 2023 - $nil). The inventory was valued at the lower of cost or net realizable value and was comprised of finished goods as at the reporting dates above.

(Unaudited - Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION

During the three months ended July 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:

		July 31, 2024		July 31, 2023
Revenues				
United States	$	434,860	$	-
Canada		-		-
	$	**434,860**	**$**	**-**

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 additional common shares and warrants, or debt 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. 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 three months ended July 31, 2024 and 2023:

Three Months Ended July 31, 2024:

- On May 17, 2024, the Company closed issued 50,000,000 units of the Company at a price of $0.015 per unit for gross proceeds of $750,000. In connection with the issuance of the units, the Company issued 50,000,000 common shares of the Company and 50,000,000 share purchase warrants, exercisable for eighteen months post closing at $0.05 per share.

There were no non-cash transactions affecting cash flows from investing and financing activites during the three months ended July 31, 2023.

18. SUBSEQUENT EVENTS

On July 31, 2024, the Company entered into a four-year license agreement (the "License Agreement") with I2Pure Corp. ("I2Pure") for the worldwide rights to its patented molecular iodine for use in water disinfection application. Pursuant to the License Agreement, the Company made a cash payment of US $250,000 and issued 13,600,000 Common Shares to I2Pure, valued at US $500,000, with an additional US $500,000 to be paid on the one year anniversary of the License Agreement. The License Agreement has a term of four years, and automatically renews for successive terms of one year each, unless one of the parties gives written notice to the other party not less than ninety days prior to the end of an extension term that it does not wish for the License Agreement to renew. The License Agreement commenced in August 2024.

On September 12, 2024, the Company entered into a settlement agreement (the "Settlement Agreement") with a lender (Note 7). Pursuant to the Settlement Agreement, the Company's required to repay the loan over four tranches of USD $75,000 on September 30, 2024, December 30, 2024, March 31, 2025 and June 30, 2025.

On September 20, 2024, the Company closed the first tranche of a non-private placement (the "September Offering") and issued 22,000,000 Units (the "September Units") at a price of $0.011 per Unit for gross proceeds of $242,000. In connection with the Issuance of the September Units, the Company issued 22,000,000 common shares of the Company and 22,000,000 share purchase warrants, exercisable for eighteen months post the September Offering, exercisable at $0.05 per share.