# EGF THERAMED HEALTH CORP.

Interim Consolidated Financial Statements

For the Three Months Ended September 30, 2024 and 2023 (Q1)
*(Expressed in Canadian dollars)*

## NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), EGF Theramed Health Corp. (the "Company") hereby informs all readers that the accompanying unaudited condensed interim consolidated financial statements of the Company have not been reviewed by its auditor and have prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting.

The attached unaudited condensed consolidated financial statements for the three months ended September 30, 2024 (Q1) have not been reviewed by the Company's auditor and should be read in conjunction with the Company's audited consolidated financial statements and management discussion and analysis (MD&A) on Form 51-102F1 for the year ended June 30, 2024, as filed on SEDAR.

## MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements ("Consolidated Financial Statements") of the Company are the responsibility of the management and Board of Directors of the Company. The Consolidated Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are compliant with IAS 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Connor Yuen
Chief Executive Officer

Vancouver, BC
November 22, 2024

**EGF Theramed Health Corp.**

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September 30, 2024

**EGF THERAMED HEALTH CORP.**
Interim Consolidated Statements of Financial Position
As at
*(Expressed in Canadian dollars)*

| | Note | September 30, 2024 $ | June 30, 2024 $ |
|---|---|---|---|
| **Assets** | | | |
| Cash | | **206,964** | 9,794 |
| Accounts receivable | 4 | **4,057** | 201,075 |
| Marketable securities | | **217** | 217 |
| Prepaid expenses | 5 | **320** | 320 |
| **Total current assets** | | **211,558** | 211,406 |
| Deposits | 6, 16 | **3,000** | 3,000 |
| **Total assets** | | **214,558** | 214,406 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 8, 15 | **1,434,168** | 1,445,197 |
| Obligation under former lease | 12 | **475,012** | 471,415 |
| Loans payable | 11 | **1,022,774** | 997,832 |
| Preferred shares | 9, 16 | **3,000** | 3,000 |
| **Total liabilities** | | **2,934,954** | 2,917,444 |
| **Shareholders' deficiency** | | | |
| Share capital | 10, 16 | **50,600,536** | 50,577,986 |
| Contributed surplus | 10 | **4,131,854** | 4,131,854 |
| Equity portion of convertible debt | | **25,892** | 25,892 |
| Non-controlling interest | 10 | **(1,364,685)** | (1,362,887) |
| Deficit | | **(56,113,993)** | (56,075,883) |
| **Total shareholders' deficiency** | | **(2,720,396)** | (2,703,038) |
| **Total liabilities and shareholders' deficiency** | | **214,558** | 214,406 |

*Going Concern (Note 2b)*
*Subsequent Event (Note 17)*

Approved and authorized for issue by the Board of Directors on November 22, 2024:

| ***"Connor Yuen"*** | ***"Usama Chaudhry"*** |
|---|---|
| Connor Yuen, Director and CEO | Usama Chaudhry, Director and CFO |

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

**EGF THERAMED HEALTH CORP.**

Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three Months Ended September 30,

*(Unaudited - Expressed in Canadian dollars)*

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Operating expenses** | | | |
| Bank and other charges | | **313** | 273 |
| Interest and accretion | 11, 12 | **15,120** | 12,982 |
| Listing fees | | **2,031** | 2,112 |
| Management fees | 15 | **13,071** | 28,071 |
| Office and miscellaneous | | **2,625** | 2,250 |
| Professional fees | | **1,235** | 567 |
| Rent | | **15,000** | 15,000 |
| Transfer agent and filing fees | | **320** | 490 |
| **Operating loss before other items** | | **(49,715)** | (61,745) |
| **Other items** | | | |
| Gain (loss) on foreign exchange | 12, 13 | **6,607** | (8,899) |
| Gain on debt settlement | 8, 10, 15 | **3,200** | — |
| **Total other items** | | **9,807** | (8,899) |
| **Net loss and comprehensive loss** | | **(39,908)** | (70,644) |
| **Total comprehensive loss is attributed to:** | | | |
| **Shareholders of EGF Theramed Health Corp.** | | **(38,110)** | (61,667) |
| **Non-controlling interest** | 10 | **(1,798)** | (8,977) |
| Loss per share attributable to shareholders of the Company (basic and diluted) | | **(0.00)** | (0.01) |
| Weighted average number of common shares (basic and diluted) | | **11,535,778** | 10,677,031 |

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

**EGF THERAMED HEALTH CORP.**

Interim Consolidated Statements of Changes in Shareholders' Deficiency

For the Three Months Ended September 30, 2024 and 2023

*(Unaudited - Expressed in Canadian dollars, except the number of shares)*

| | Note | Number of Outstanding Shares | Share Capital $ | Equity Portion of Convertible Debts $ | Contributed Surplus $ | Deficit $ | Non-Controlling Interest $ | Total Shareholders' Deficiency $ |
|---|---|---|---|---|---|---|---|---|
| **Balance, June 30, 2023** | | **10,491,161** | **50,481,611** | **25,892** | **4,156,229** | **(55,806,630)** | **(1,335,881)** | **(2,478,779)** |
| Common shares issued for exercise of warrants | 10 | 900,000 | 96,375 | — | (24,375) | — | — | 72,000 |
| Net comprehensive loss for the period | | — | — | — | — | (61,667) | (8,977) | (70,644) |
| **Balance, September 30, 2023** | | **11,391,161** | **50,577,986** | **25,892** | **4,131,854** | **(55,868,297)** | **(1,344,858)** | **(2,477,423)** |
| | | | | | | | | |
| **Balance, June 30, 2024** | | **11,391,161** | **50,577,986** | **25,892** | **4,131,854** | **(56,075,883)** | **(1,362,887)** | **(2,703,038)** |
| Common shares issued to settle debt | 10 | **225,504** | **22,550** | **—** | **—** | **—** | **—** | **22,550** |
| Net comprehensive loss for the period | | **—** | **—** | **—** | **—** | **(38,110)** | **(1,798)** | **(39,908)** |
| **Balance, September 30, 2024** | | **11,616,665** | **50,600,536** | **25,892** | **4,131,854** | **(56,113,993)** | **(1,364,685)** | **(2,720,396)** |

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

**EGF THERAMED HEALTH CORP.**
Interim Consolidated Statements of Cash Flows
For the Three Months Ended September 30,
*(Expressed in Canadian dollars)*

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Comprehensive loss for the period | **(39,908)** | (70,644) |
| Adjustments for non-cash items: | | |
| Gain on debt settlement | **(3,200)** | — |
| (Gain) loss on foreign exchange | **(6,607)** | 8,899 |
| Interest and accretion | **15,120** | 12,982 |
| Changes in non-cash working capital items: | | |
| Accounts receivable | **197,018** | (2,254) |
| Inventories | **—** | (3,105) |
| Prepaid expenses | **—** | 1,975 |
| Accounts payable and accrued liabilities | **14,747** | (5,091) |
| **Net cash provided by (used in) operating activities** | **177,170** | **(57,238)** |
| **Cash Flows from Financing Activities** | | |
| Proceeds from exercise of warrants | **—** | 72,000 |
| Proceeds from loans payable, net of repayments | **20,000** | 61,000 |
| **Net cash provided by financing activities** | **20,000** | **133,000** |
| Net increase in cash | **197,170** | 75,762 |
| Cash, beginning of period | **9,794** | 11,503 |
| **Cash, end of period** | **206,964** | **87,265** |
| **Non-Cash Transactions** | | |
| Common shares issued to settle debt (Notes 8, 10, and 15) | **22,550** | — |

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

## 1. NATURE OF OPERATIONS

EGF Theramed Health Corp. (the "Company" or "EGF Theramed") was incorporated on November 9, 2011 under the laws of British Columbia, Canada. The Company's head office and mailing address is Suite 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3.

EGF Theramed continues to develop products, technologies, and diagnostic tools focused on personalized medical care including research with natural health and wellness products. The products will serve with the overall goal of improving health and elevating the human condition.

The Company's shares are listed on Canadian Securities Exchange ("CSE") under the symbol "TMED" and the OTC Markets Group Inc.'s marketplace under ("OTCQB: EVAHF").

These interim consolidated financial statements (hereinafter the "consolidated financial statements") of the Company for the three months ended September 30, 2024 have been prepared by management and reviewed and authorized for publication by the Board of Directors on November 22, 2024. The interim consolidated financial statements are made available to shareholders and other stakeholders through the System for Electronic Document Analysis and Retrieval ("SEDAR").

## 2. BASIS OF PRESENTATION

a. Statement of compliance

These interim consolidated financial statements for the three months ended September 30, 2024 (Q1) have been prepared in accordance with IAS 34 – Interim Financial Reporting and the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). These policies have been consistently applied to all years presented, otherwise stated. The Company's material accounting policy information is described in the Note 3. Significant accounting estimates, judgments and assumptions have been used or exercised by management in the preparation of these consolidated financial statements.

b. Going concern basis of presentation

These interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and have the ability to realize its assets and discharge its liabilities in the normal course of business. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption, which may require management to reassess the financial viability of the Company as a going concern.

As a Company in the early development stage, management does not anticipate generating operating revenues for several years, other than incidental revenue. At September 30, 2024, the Company had not yet achieved profitable operations, had recurring losses from continuing operations, and a cumulative deficit of $56,113,993 since inception and had working capital deficit of $2,723,396. The Company expects to incur further losses in the development of its business in subsequent periods.

## 2. BASIS OF PRESENTATION (continued)

b. Going concern basis of presentation (continued)

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

c. Principles of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed or has right to variable returns from its involvements with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to the three elements of control listed above.

The Company consolidates the financial statements of the following entities:

| Subsidiary | Jurisdiction | Functional currency | Effective ownership |
|---|---|---|---|
| Hemp Extraction Technology Corp. (“HETC”) | Ontario, Canada | Canadian dollar | 100% |
| Western Agri Supply Solutions Inc. (“WASS”) | British Columbia, Canada | Canadian dollar | 50% |
| Medical Green Natural List Corp. (“MGNL”) | British Columbia, Canada | Canadian dollar | 100% |
| Seedadelic Health Services Corp. (“Seedadelic”) | Ontario, Canada | Canadian dollar | 100% |

In addition to subsidiaries outlined above, there are several inactive numbered companies which were incorporated that are wholly-owned entities the Company with respect to the 2017 Plan of Arrangement (Note 16).

All inter-company balances, transactions and unrealized profits are eliminated on consolidation to the extent of the Company’s interest in the entity.

## 2. BASIS OF PRESENTATION (continued)

c. Principles of consolidation (continued)

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. The carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in a separate reserve within equity attributed to the owners of the Company.

d. Basis of measurement

These interim consolidated financial statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar. The presentation currency of these consolidated financial statements is the Canadian dollar.

e. Functional and presentation currency

All monetary references expressed in these notes are references to Canadian dollar amounts (“$”).

Functional currency is the currency of the primary economic environment in which the reporting entity operates and is normally the currency in which the entity substantially generates and expends cash. Each entity in the group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions

Foreign currency transactions are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at the reporting date. All differences are recorded in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## 2. BASIS OF PRESENTATION (continued)

f. Significant accounting judgments and estimates

The preparation of these interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments:

(i) Ability to continue as a going concern
Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 2b). Subsequent changes could materially impact the validity of such an assessment.

(ii) Control over WASS
Management assessed whether or not the Company has control over WASS based on whether the Company has the practical ability to direct the relevant activities of WASS unilaterally. In making their judgement, the directors considered the Company's absolute size of holding in WASS and the ability to use its power to affect WASS.

Estimates:

(i) Share-based compensation
The Company uses the Black-Scholes Option Pricing Model to fair value options in order to calculate share-based compensation expense. The Black-Scholes Option Pricing Model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are

## 2. BASIS OF PRESENTATION (continued)

f. Significant accounting judgments and estimates (continued)

Estimates: (continued)

(i) Share-based compensation (continued)
estimates that involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

(ii) Impairment of long-lived assets
The carrying value and the recoverability of intangible assets, which are included in the consolidated statements of financial position are evaluated at each reporting date to determine whether there are any indications of impairment. An annual impairment test is also required to be performed for intangible assets that are not subject to depreciation.

The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's intangible assets.

External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affects the recoverability of its intangible assets.

Internal sources of information the Company considers include the manner in which intangible assets are being used or are expected to be used and indications of economic performance of the assets.

(iii) Income taxes
The Company operates in the United States and Canada and is subject to multiple tax jurisdictions, and consequently, income is subject to various rates and rules of taxation. As a result, the Company's effective tax rate may vary significantly from the Canadian statutory tax rate depending upon the profitability of operations in a different jurisdiction. The Company calculates deferred income taxes based upon temporary differences between the assets and liabilities that are reported in its consolidated financial statements and their tax bases as determined under applicable tax legislation. The future realization of deferred tax assets can be affected by many factors, including current and future economic conditions, net realizable sale prices, and can either be increased or decreased where, in the view of management, such change is warranted. In determining whether a deferred tax asset is probable, management reviews the timing of expected reversals of taxable temporary differences, the estimates of future taxable income and prudent and feasible tax planning that could be implemented.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below are in effect for the years ended June 30, 2024 and 2023 and have been applied consistently to all periods presented, except otherwise noted.

a. Cash

Cash is comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less.

b. Share-based payments

The fair value of any options granted is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of options expect to vest.

c. Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and join

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 3. MATERIAL ACCOUTING POLICY INFORMATION (continued)

d. Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table summarizes the measurement categories under IFRS 9 for each class of the Company’s financial assets and financial liabilities:

| Financial assets | IFRS 9 CLASSIFICATION |
|---|---|
| Cash | FVTPL |
| Accounts receivable | Amortized cost |
| Marketable securities | FVTPL |
| Accounts payable | Amortized cost |
| Loans payable | Amortized cost |

*Measurement*

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive loss.

*Derecognition*

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

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d. Financial instruments (continued)

*Derecognition (continued)*

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

*Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Impairment of non-financial assets*

At the end of each reporting period, the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater if the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying mount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

e. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and options are recognized as a deduction from equity, net of any tax effects. Preferred shares are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders. Preferred shares are classified as liability if it is

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

e. Share capital (continued)

redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

f. Share units

When the Company issues units that are comprised of a combination of shares and warrants, the fair value of the warrants determined using a Black Scholes Option Pricing Model, is allocated to the warrants and the residual is allocated to the share capital.

g. Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

h. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

i. Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

*(Unaudited - Expressed in Canadian dollars)*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of loss and comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

j. Issued but not effective accounting standards

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

## 4. ACCOUNTS RECEIVABLE

| | September 30, 2024<br>$ | June 30, 2024<br>$ |
|---|---|---|
| HST /GST recoverable | **4,057** | 180,195 |
| Interest receivable | **—** | 20,880 |
| Total | **4,057** | 201,075 |

During the year ended June 30, 2024, the Company recognized $20,880 interest receivable from CRA related to reimbursement of HST/GST recoverable. During the three months ended September 30, 2024, the Company received the payment of $199,402 for HST/GST receivable and interest receivable.

## 5. PREPAID EXPENSES

| | September 30, 2024<br>$ | June 30, 2024<br>$ |
|---|---|---|
| Business services | **20** | 20 |
| Retainer legal fees | **300** | 300 |
| Total | **320** | 320 |

*(Unaudited - Expressed in Canadian dollars)*

## 5. PREPAID EXPENSES (continued)

During the year ended June 30, 2023, the Company wrote off a $20,000 deposit given to Kiaro Holdings Corp., which was not considered collectable. During the year ended June 30, 2024, Kiaro returned the $20,000 and was recorded as a reversal of impairment in the Company's consolidated statements of loss and comprehensive loss.

## 6. DEPOSITS

| | September 30, 2024<br>$ | June 30, 2024<br>$ |
|---|---|---|
| Plans of arrangement (Note 16) | **3,000** | 3,000 |
| Total | **3,000** | 3,000 |

## 7. INVESTMENTS IN PHARMADELIC AND GREEN PARROT

As at September 30, 2024, the Company holds a 33.06% interest (June 30, 2024: 33.06%) in Pharmadelic Labs Inc. which is inactive as at September 30, 2024 and June 30, 2024. These investments were fully impaired during the year ended June 30, 2021.

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2024<br>$ | June 30, 2024<br>$ |
|---|---|---|
| Amount owing to third parties | **1,236,879** | 1,334,697 |
| Due to related parties (Note 15) | **197,289** | 110,500 |
| | **1,434,168** | 1,445,197 |

On August 2, 2024, pursuant to the shares for debt agreement entered on July 17, 2024, the Company issued 225,504 common shares to a former director of the Company to settle outstanding director fees of $25,750 (Notes 10 and 15).

## 9. REDEEMABLE PREFERED SHARES

(a) Authorized: unlimited Class A – preferred shares

(b) Issued

| | September 30, 2024 | | June 30, 2024 | |
|---|---|---|---|---|
| | **Shares** | **Amount, $** | **Shares** | **Amount, $** |
| Class A preferred shares | | | | |
| Balance, beginning and end of period | **1,168,540** | **3,000** | 1,168,540 | 3,000 |

## 9. REDEEMABLE PREFERED SHARES (continued)

The Class A – preferred shares, with an average redemption price of $0.00000575 each for a total value of $4,000, are non-voting, non-participating and are mandatorily redeemable by the Company in accordance with the Plans of Arrangement.

The preferred shares will be redeemed once the spin-out (divesting) transactions are completed under the 2017 Plans of Arrangement (Note 16).

## 10. SHARE CAPITAL

(a) Authorized: unlimited common shares, without par value; and
unlimited preferred shares, without par value.

(b) Issued and outstanding: 11,616,665 common shares issued and outstanding as of September 30, 2024 (June 30, 2024: 11,391,161)

<u>During the three months ended September 30, 2024, the following transaction occurred:</u>

On August 2, 2024, pursuant to the shares for debt agreement entered on July 17, 2024, the Company issued 225,504 common shares to a former director of the Company to settle outstanding director fees of $25,750. The fair value of the common shares issued is $22,550, resulting in a gain on debt settlement of $3,200 recognized in the interim consolidated statement of loss and comprehensive loss (Notes 8 and 15).

<u>During the year ended June 30, 2024, the following transaction occurred:</u>

On September 11, 2023, the Company issued 900,000 common shares for gross proceeds of $72,000 on the exercise of share purchase warrants at $0.08 per share.

(c) Share purchase warrants

As of September 30, 2024, there were no share purchase warrants granted and outstanding.

During the three months ended September 30, 2024, all 7,433,333 share purchase warrants outstanding expired unexercised.

On September 11, 2023, the Company issued 900,000 common shares for gross proceeds of $72,000 on the exercise of share purchase warrants at $0.08 per share.

*(Unaudited - Expressed in Canadian dollars)*

## 10. SHARE CAPITAL (continued)

(c) Share purchase warrants (continued)

A summary of the Company's issued and outstanding warrants as at September 30, 2024 and during the period is presented below:

| | Warrants Outstanding | Weighted Average Exercise Price, $ |
|---|---|---|
| **Balance, June 30, 2023** | **8,333,333** | **0.08** |
| Exercised | (900,000) | 0.08 |
| **Balance, June 30, 2024** | **7,433,333** | **0.08** |
| Expired | (7,433,333) | 0.08 |
| **Balance, September 30, 2024** | **—** | **—** |

The average share price at the date of exercise was $0.08.

(d) Stock options

There were no stock options granted and outstanding during the three months ended September 30, 2024 and year ended June 30, 2024.

(e) Non-controlling interest

The Company has a 50% interest in WASS. The Company controls the operations of WASS as it makes all the strategic decisions of WASS. WASS was specialized in industrial hemp biomass supply and its principal place of business was Las Vegas, Nevada. WASS is currently inactive.

| | September 30, 2024 $ | June 30, 2024 $ |
|---|---|---|
| Non controlling interest – opening balance | **(1,362,887)** | (1,335,881) |
| Allocation of net loss for the period | **(1,798)** | (27,006) |
| Non controlling interest – closing balance | **(1,364,685)** | (1,362,887) |

*(Unaudited - Expressed in Canadian dollars)*

## 10. SHARE CAPITAL (continued)

(e) Non-controlling interest (continued)

Summarised financial information of WASS:

| | September 30, 2024 $ | June 30, 2024 $ |
|---|---|---|
| Assets | — | — |
| Liabilities | **2,730,463** | **2,726,866** |
| Equity | **(2,730,463)** | **(2,726,866)** |
| Revenue | — | — |
| Other income | — | — |
| Expenses | **3,597** | **54,012** |
| Cash flow from operating activities | — | — |
| Cash flow from investing activities | — | — |
| Cash flow from financing activities | — | — |

(f) Reserves – equity portion and contributed surplus

Contributed surplus records the fair value of the common share purchase warrants (Note 10c) and items recognized as stock-based compensation expense (Note 10d). At the time the warrants or options are exercised, the corresponding amount will be transferred to share capital.

## 11. DEBT

A summary of the Company's unsecured demand loans as at September 30, 2024 is presented below:

| | | |
|---|---|---|
| **Balance, June 30, 2023** | **$** | **919,656** |
| Additions | | 61,000 |
| Interest | | 17,176 |
| **Balance, June 30, 2024** | | **997,832** |
| Additions | | 20,000 |
| Interest | | 4,942 |
| **Balance, September 30, 2024** | **$** | **1,022,774** |

During the year ended June 30, 2024, the Company received a loan of $5,000 from a shareholder. The loan is unsecured, bears interest at 10% per annum and is payable within one year. The Company also received loans of $6,000 bearing interest at 15% per annum and payable within 24 months and $50,000 bearing interest at 5% per annum and payable within one year.

During the three months ended September 20, 2024, the Company received a loan of $20,000 from a third party. The loan is unsecured, bears interest at 15% per annum, and is payable within one year.

*(Unaudited - Expressed in Canadian dollars)*

## 12. OBLIGATION UNDER FORMER LEASE

The following is a continuity schedule of lease liabilities for the three months ended September 30, 2024 and 2023:

| | | |
|---|---|---|
| **Balance, June 30, 2023** | **$** | **417,402** |
| Interest accrued | | 39,557 |
| Loss on foreign exchange | | 14,456 |
| **Balance, June 30, 2024** | | **471,415** |
| Interest accrued | | 10,178 |
| Gain on foreign exchange | | (6,581) |
| **Balance, September 30, 2024** | **$** | **475,012** |

As the Company was in default under the lease agreement at June 30, 2021, the entire balance owing is classified as a current liability. On October 12, 2021, the Company reached settlement on the lease agreement pursuant to the legal claim at $349,416 (US$281,925).

The amount owing under the Settlement agreement has been adjusted to reflect the exchange rate at September 30, 2024 together with accrued interest of $10,178 at average rate of 10.5% per annum, based on the legal interest rate per the State of Nevada.

## 13. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk, and currency risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a. Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary health monitoring/therapeutic systems and the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any external capital requirements imposed by a regulator. There have been no changes in the Company's management of capital.

## 13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

b. Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk was primarily attributable to bank balances and GST/HST receivable. The Company limits its credit exposure on cash held in bank accounts by holding its key bank accounts with reputable financial institutions. GST/HST receivable is due from Canadian Government and management believes that the credit risk to be minimal.

c. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at September 30, 2024, the Company had a cash balance of $206,964 and accounts payable and accrued liabilities of $1,434,168. All of the Company's financial liabilities are treated with maturities of less than one year and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt, loan extensions, or equity financing to meet the Company's short term and long- term cash requirement. The Company has a working capital deficit of $2,723,396.

d. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

e. Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar with significant business and purchases are transacted in United States dollars (USD). As a result, the Company is exposed to USD foreign currency risk that is not hedged against and the Company may incur material and uncontrolled losses on USD foreign exchange.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

| | **September 30, 2024** | | **June 30, 2024** | |
|---|---|---|---|---|
| Accounts payable | **US$** | **359,650** | US$ | 359,650 |
| Lease liability | **US$** | **351,886** | US$ | 345,227 |

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $96,000 (June 30, 2024: $96,000) in income/loss from operations.

*(Unaudited - Expressed in Canadian dollars)*

## 14. FAIR VALUE

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements on a recurring basis within the fair value hierarchy. The Company does not have any non-recurring fair value measurements. Measurement is categorized and determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
b. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
c. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2024 and June 30, 2024:

| | **September 30, 2024** | | **June 30, 2024** | |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | **Level 1** | **Level 3** | Level 1 | Level 3 |
| Cash | **$ 206,964** | **—** | $ 9,794 | — |
| Marketable securities | **$ —** | **217** | $ — | 217 |

Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period in which a change in valuation technique or methodology occurs. The estimated fair value of the marketable securities transferred from Level 1 to Level 3 during the year ended June 30, 2024 due to no observable market activity. The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

## 15. RELATED PARTY TRANSACTIONS

*Compensation on key management personnel*

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

| **Three months ended September 30,** | **2024** **$** | 2023 $ |
|---|---|---|
| Management fees to CEO | **3,000** | 3,000 |
| Management fees to CFO | **8,571** | 8,571 |
| Management fees to Director | **1,500** | 1,500 |
| **Total** | **13,071** | 13,071 |

## 15. RELATED PARTY TRANSACTIONS (continued)

The Company has $12,000 balance due to the current CEO of the Company as at September 30, 2024 (June 30, 2024: $9,000). During the three months ended September 30, 2024, the Company accrued $Nil in management fees payable to Jatinder Dhaliwal, former CEO and director of the Company, and the total amount owing as at September 30, 2024 was $73,289 which is included in the amount owing to third parties.

The Company has balance due to the CFO of the Company as at September 30, 2024 for the amount of $108,000 (June 30, 2024: $99,000).

The Company has balance due to the director of the Company as at September 30, 2024 for the amount of $4,000 (June 30, 2024: $2,500).

On August 2, 2024, pursuant to the shares for debt agreement entered on July 17, 2024, the Company issued 225,504 common shares to a former director of the Company to settle outstanding director fees of $25,750. (Notes 8 and 10).

## 16. PLANS OF ARRANGEMENT

2017 Plan of Arrangement

In March 2017, the Company filed and received court approval for its 2017 Plan of Arrangement (“2017-POA”) for the planned spinout of Eviana Health Corporation (“Eviana”), formerly C&C Cosmeceuticals Corp., and four newly formed subsidiary corporations Ecovatec Health Solutions Inc. (formerly 1109863 B.C. Ltd.), 1109858 B.C. Ltd., 1109870 B.C. Ltd., EGF Health Holdings Corp. (formerly, Automated Techno Medical Corp., formerly 1109871 B.C. Ltd.) to facilitate other contemplated spin-out transactions.

On July 26, 2019, the Company completed the spin out (divesting) of EGF Health Holdings Corp. by the distribution of 7,790,265 Class Redeemable preferred shares to its shareholders (Note 9). As of September 30, 2024, the Company has $3,000 (June 30, 2024: $3,000) in remaining deposits related to contemplated spin outs under the 2017-POA.

## 17. SUBEQUENT EVENT

No subsequent event.