

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Mydecine Innovation Group Inc. (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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity’s auditor.

**MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)**

As at,	Note	March 31, 2024	December 31, 2023
		\$	(audited)
			\$
Current assets			
Cash		20,351	37,646
Sales tax receivable		173,776	155,455
Prepays and deposits	5	19,278	19,278
Total assets		213,405	212,379
Current liabilities			
Accounts payable and accrued liabilities	12	7,276,498	6,704,267
Notes payable	8	218,657	209,447
Convertible debentures, net	7	5,557,697	5,213,984
Total current liabilities		13,052,852	12,127,698
Shareholders' deficiency			
Share capital	9	126,214,567	126,123,011
Contributed surplus	9	16,787,778	16,787,778
Equity portion of convertible debentures	7	285,756	285,756
Deficit		(156,127,548)	(155,111,864)
Total shareholders' deficiency		(12,839,447)	(11,915,319)
Total liabilities and shareholders' deficiency		213,405	212,379

Nature, continuance of operations and going concern (Note 1)

Contingencies (Note 14)

Subsequent events (Note 16)

Approved on behalf of the Board on July 5, 2024

"David Joshua Bartch"

Director

"Rob Roscow"

Director

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

**MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)**

For the three-month period ended,	Note	March 31, 2024	March 31, 2023
		(restated) (Note 15)	(restated) (Note 15)
		\$	\$
Expenses			
Finance cost	7	350,468	234,918
Corporate development		592	501,631
Depreciation – property and equipment		-	5,275
Consulting fees		-	1,932,938
Director and management fees	11	202,718	183,962
Foreign exchange loss		49,477	9,630
Insurance		27,696	28,724
Office and miscellaneous		51,251	271,338
Professional fees		103,136	325,621
Regulatory and filing fees		2,250	100,680
Research and development		13,564	143,334
Salaries	11	225,347	375,059
Total expenses		1,026,499	4,113,110
Other income (expenses)			
Realized loss on marketable securities, at fair value through profit and loss	4	-	(5,139,452)
Impairment of loan receivable	4	-	(1,285,366)
Other income		-	26,667
Gain on settlement of other financial liability	9	-	53,107
Gain on settlement of liability	9	10,815	(5,425)
Total other income (expenses)		10,815	(6,350,469)
Net loss and comprehensive loss for the period		(1,015,684)	(10,463,579)
Net loss per share – Basic and diluted from continuing operations		(0.02)	(0.56)
Weighted average number of shares outstanding – Basic and diluted		53,803,784	18,561,565

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share Capital	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2022 (restated) (Note 15)		14,895,612	\$ 115,918,379	\$ 16,787,778	\$ 175,756	\$ (134,164,832)	\$ (1,282,919)
Shares issued for financing	9	5,376,342	2,500,000	-	-	-	2,500,000
Debt settlement	9	601,638	353,966	-	-	-	353,966
MindLeap Health Inc.'s – anti dilution clause settlement	9	666,667	346,666	-	-	-	346,666
Net loss for the period		-	-	-	-	(10,463,579)	(10,463,579)
Balance, March 31, 2023 (restated) (Note 15)		21,540,259	\$ 119,119,011	\$ 16,787,778	\$ 175,756	\$ (144,628,411)	\$ (8,545,866)
Balance, December 31, 2023		52,567,458	\$ 126,123,011	\$ 16,787,778	\$ 285,756	\$ (155,111,864)	\$ (11,915,319)
Debt settlement	9	5,559,719	91,556	-	-	-	91,556
Net loss for the period		-	-	-	-	(1,015,684)	(1,015,684)
Balance, March 31, 2024		58,127,177	\$ 126,214,567	\$ 16,787,778	\$ 285,756	\$ (156,127,548)	\$ (12,839,447)

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

For the period ended,	Note	March 31, 2024	March 31, 2023 (restated) (Note 15)
Cash flows used in			
Operating activities			
Net loss for the period		\$ (1,015,684)	\$ (10,463,579)
Items not affecting cash:			
Depreciation	6	-	5,275
Finance cost	7	350,468	234,918
Unrealized foreign exchange gain (loss)		2,455	(67)
Revaluation of marketable securities	4	-	5,139,452
Gain on settlement of other financial liability	9	-	(53,107)
Loss on debt settlement	9	(10,815)	-
Impairment of loan receivables	4	-	1,285,366
Changes in operating activities		(673,576)	(3,851,742)
Changes in non-cash working capital items:			
Prepays and deposits		-	602,498
Sales taxes receivable		(18,321)	9,005
Accounts payable and accrued liabilities		674,602	239,499
Cash used in operating activities		(17,295)	(3,000,740)
Investing activities			
Sale of marketable securities	4	-	500,001
Net cash used in investing activities		-	500,001
Financing activities			
Proceeds from sale of shares, net of cash share issuance cost	9	-	2,500,000
Net cash provided from financing activities		-	2,500,000
Increase in cash during the period		(17,295)	(739)
Cash, beginning of the year		37,646	11,030
Cash, end of the year		\$ 20,351	\$ 10,291
Non-Cash Investing and Financing Activities			
Taxes paid		\$ -	\$ -
Shares issued to settle debt		\$ 91,556	\$ -
Interest paid		\$ -	\$ -

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

**MYDECINE INNOVATIONS GROUP INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

1. NATURE, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Mydecine Innovations Group Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. On May 27, 2020 the Company changed its name to Mydecine Innovations Group Inc. The Company’s common shares trade on the Canadian Securities Exchange (CSE: MYCO), Aquis Stock Exchange (AQSE: MYIG), OTC exchange (OTC: MYCOF) and on the Frankfurt stock exchange (FSE:0NF0). The Company’s principal activities are research, drug development and clinical trials of psilocybin products. The registered address, head office, principal address and records office of the Company are located at Suite 1890 - 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

As at March 31, 2024, the Company has an accumulated deficit of \$156,127,548 (December 31, 2023 - \$155,111,864), net loss from continuing operations of \$1,015,684 (March 31, 2023 - \$10,463,579) and cash used in operating activities of \$17,295 (March 31, 2023 - \$3,000,739). The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed unaudited interim financial statements of the Company are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and interpretations of the International Financial Reporting Committee (“IFRIC”). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for the year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company’s audited financial statements for the year ended December 31, 2023. The policies applied in these condensed interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2023.

These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on June *, 2024.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, which are measured at fair value through profit and loss, as explained in the accounting policies below. Historical costs are generally based upon the fair value of the consideration given in exchange for goods and services. These consolidated financial statements have been prepared using accrual basis of accounting except for cash flow statement.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional Currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars. The Company and NeuroPharm Inc. functional currency is the Canadian dollar.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into Canadian dollars, the Company's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive loss.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. As at December 31, 2023, the following is a list of the Company's operating subsidiaries:

Name	Jurisdiction of incorporation	Interest
Mydecine Group (1220611 BC Ltd)	Canada	100%
NeuroPharm Inc	Canada	100%

All inter-company transactions and balances have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended December 31, 2023.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

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4. MARKETABLE SECURITIES

During the year ended December 31, 2022, the Company received 18,000,000 units of Pangenomic Health Inc. pursuant to the sale of Mindleap.

The following is a continuity schedule of marketable securities of Pangenomic Health Inc.:

	Pangenomic Health Inc.
Common shares	
Balance, December 31, 2021	-
Common shares received as consideration	18,000,000
Disposition of common shares to settle convertible debenture interest (Note 7)	(2,750,000)
Balance, December 31, 2022	15,250,000
Shares disposed pursuant to share sale agreement	(15,250,000)
Balance, December 31, 2023	-
Warrants	
Balance, December 31, 2021	-
Warrants received as consideration	18,000,000
Balance, December 31, 2022	18,000,000
Warrants disposed pursuant to sale	(18,000,000)
Balance, December 31, 2023 and March 31, 2024	-

The following are the fair values of Pangenomic Health Inc.'s securities at March 31, 2024 and December 31, 2023:

	Pangenomic Health Inc.
	\$
Common shares	
Balance, December 31, 2021	-
Common shares received as consideration	4,140,000
Disposition of common shares to settle convertible debenture interest	(550,000)
Change in fair value of marketable securities	527,500
Balance, December 31, 2022	4,117,500
Shares sold in exchange for promissory notes	(1,785,366)
Realized loss on disposition of marketable securities	(2,332,134)
Balance, December 31, 2023 and March 31, 2024	-
Warrants	
Balance, December 31, 2021	-
Warrants received as consideration	2,399,062
Change in fair value of marketable securities	433,457
Balance, December 31, 2022	2,832,519
Disposition of warrants	(25,201)
Realized loss on disposition of marketable securities	(2,807,318)
Balance, December 31, 2023 and March 31, 2024	-

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On January 4, 2023, the Company entered into share sale agreements with arms length parties and sold 15,250,000 common shares in exchange for promissory notes totalling \$1,785,366. As of March 31, 2023, the Company has collected \$500,001. During the period ended March 31, 2023, an expected credit loss provision of \$1,285,365 was recognized in relation to the other receivables and included on the statement of loss and comprehensive loss. The Company is pursuing the remainder of the promissory notes.

During the period ended March 31, 2023, the Company entered into purchase agreements with arms length parties to sell 18,000,000 warrants for gross proceeds of \$25,201. The proceeds for the sale were received subsequent to March 31, 2023. The Company recognized a realized loss on marketable securities of \$2,807,318.

5. PREPAIDS AND DEPOSITS

	March 31, 2024	December 31, 2023
	\$	\$
Deposits	19,278	19,278
Total	19,278	19,278
Short-term	19,278	19,278
Long-term	-	-

During the period ended March 31, 2024, the Company amended its research and development work orders and ceased development on its initial research and development projects. As at December 31, 2023, all prepaid research and development were delivered.

6. PROPERTY AND EQUIPMENT

	Equipment	Total
	\$	\$
Cost		
Balance at December 31, 2021	356,812	356,812
Disposals	(332,162)	(332,162)
Balance at December 31, 2022 and 2023	24,650	24,650
Accumulated depreciation		
Balance, December 31, 2021	56,388	56,388
Depreciation	50,387	50,387
Disposals	(92,001)	(92,001)
Balance, December 31, 2022	14,774	14,774
Depreciation	9,876	9,876
Balance, December 31, 2023	24,650	24,650
Net book values		
December 31, 2022	9,876	9,876
December 31, 2023 and March 31, 2024	-	-

As at March 31, 2024 and December 31, 2023, the Company did not recognize an impairment of property and equipment.

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7. CONVERTIBLE DEBENTURES

On December 9, 2021, the Company closed a senior secured convertible debenture financing on a non-brokered private placement basis for gross proceeds of \$5,500,000. The debenture bears annual interest of 10%, matures in 36 months and the principal and interest are convertible into units (“conversion units”) at a conversion price of \$0.17, at the option of the debenture holder. Each conversion unit will consist of one (1) common share of the Company common share purchase warrant. Additionally, the Company issued 32,352,941 warrants which will entitle the holder to purchase one (1) additional common share of the Company at a price of \$8.50 per Warrant Share for a period of thirty-six (36) months from the issuance date. The lender has a general security interest over the Company’s assets.

On May 19, 2023, the Company amended the conversion price of the convertible debentures and the exercise price of the debenture warrants. The conversion price of the convertible debenture and exercise price of the debenture warrants were amended from \$8.50 to \$0.35. All other terms of the convertible debenture and the debenture warrants remain unchanged. The amendment did not affect the carrying value of the conversion feature or warrants.

The convertible debenture is a compound financial instrument. Management estimated the fair value of the debt using a discount rate of 20% applicable to the Company’s business, with the residual value allocated to the equity components of the convertible debenture. The Convertible Debenture has \$37,743 of deferred loan costs which are amortized over the life of the loan and are recorded in interest expense. The residual value was allocated between the warrants and the conversion feature using the relative fair value method. The Black Scholes Pricing Model was used to determine the fair value of the warrants. The inputs to the pricing model were a stock and exercise price of \$8.50, expected life of 3 years, volatility 149%, and risk-free rate of 0.17%. The Company utilized the Monte Carlo option model to estimate the fair value for the conversion feature. This resulted in an allocated value of \$918,604 to the warrants and \$240,756 to the conversion feature.

The following table reconciles the recorded value of the liability and the equity components of the convertible debentures at December 31, 2023 and 2022:

	Convertible debenture \$	Warrants issued with debenture – Contributed Surplus \$	Equity component of convertible debenture \$	Total \$
Balance, December 31, 2022	4,696,974	670,604	175,756	5,543,334
Imputed interest	1,287,010	-	-	1,287,010
Security interest waiver	(770,000)	-	-	(770,000)
Balance, December 31, 2023	5,213,984	670,604	175,756	6,060,344
Imputed interest	343,713	-	-	343,713
Balance, March 31, 2024	5,557,697	-	-	5,557,697

On December 9, 2023, the Company has not paid the interest due on the convertible debenture and the Company is in negotiation with the lender.

On March 4, 2023, the Company amended the terms of the convertible debenture, whereby agreeing to waive the holders security interest in Mindleap Health (“Security Interest Waiver”). The Company agreed to issue 250,000 common shares with a fair value of \$110,000 and pay \$660,000 to waive the security interest the convertible debenture held.

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8. NOTES PAYABLE

	Notes Payable
	\$
Balance, December 31, 2022	85,204
Additions	110,000
Interest	15,727
Foreign exchange	(1,484)
Balance, December 31, 2023	209,447
Interest	6,755
Foreign exchange	2,455
Balance, March 31, 2024	218,657

On March 8, 2022, the Company entered into a secured note payable with an arms-length party for \$151,889 which bears a 5% interest rate annually and matures on March 7, 2023. The security interest in the Company includes certain current assets of the Company. On March 7, 2023, the Company defaulted on the note payable and the defaulted note payable bears interest of 12% interest per annum. The Company is in negotiation with the creditor to settle this note payable.

On September 28, 2023, the Company entered into a loan agreement with an arm's length party for C \$110,000, which is due on demand, unsecured, and bears interest of 6%.

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized: Unlimited common shares without par value

Issued: common shares – 58,127,177 (December 31, 2023 – 52,567,458 common shares)

Period ended March 31, 2024:

On February 22, 2024, the Company issued 2,618,543 common shares with a fair value of \$32,732 and settled debt of \$52,371. The Company recorded a gain on settlement of debt of \$19,639.

On March 27, 2024, the Company issued 2,941,176 common shares with a fair value of \$58,824 and settled debt of \$50,000. The Company recorded a loss on settlement of debt of \$8,824.

Year ended December 31, 2023:

On January 19, 2023, the Company completed a private placement and issued 1,182,795 common shares for gross proceeds of \$550,000.

On February 1, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 10, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 22, 2023, the Company completed a private placement and issued 1,397,849 common shares for gross proceeds of \$650,000.

On February 1, 2023, the Company issued 140,350 common shares with a fair value of \$77,193 and settled debt of \$80,000. The Company recorded a gain on settlement of debt of \$2,808.

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On February 9, 2023, the Company issued 461,288 common shares with a fair value of \$276,773 and settled debt of \$268,540. The Company recorded a loss on settlement of debt of \$8,233.

On February 28, 2023, the Company issued 666,667 common shares with a fair value of \$346,666 and settled the Company's other financial liability in full. The Company recorded a gain on settlement of other liability of \$53,107.

On April 6, 2023, the Company completed a private placement and issued 1,340,206 common shares for gross proceeds of \$650,000.

On April 12, 2023, the Company completed a private placement and issued 359,794 common shares for gross proceeds of \$174,500. The Company issued 1,702,061 common shares and settled debt of \$825,500.

On May 29, 2023, the Company issued 1,515,151 common shares and settled debt of \$500,000.

On September 19, 2023, the Company issued 18,750,000 common shares with a fair value of \$3,750,000 for prepaid consulting services with arm's length parties, using a level 1 input on the date of issuance. As at December 31, 2023, prepaid consulting services was \$Nil (2022 - \$Nil) related to this transaction.

On October 31, 2023, the Company issued 1,893,333 common shares for gross proceeds of \$284,000. The Company issued 5,466,667 common shares for services with arm's length parties with a fair value of \$820,000, using a level 1 input on the date of issuance.

On August 28, 2022, the Company was obligated to issue 968,979 common shares for the last tranche of Neuropharm's anti-dilution clause. As at December 31, 2023 and 2022, these shares have not been issued.

Stock Options

The Company has adopted the 2023 Mydecine Equity Incentive Plan (the "Incentive Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Incentive Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Incentive Plan may have a maximum exercise term of 10 years from the date of grant, the term is set by the plan administrator. Vesting terms will be determined at the time of grant by the Board of Directors.

During the period ended March 31, 2024 and year ended December 31, 2023, the Company did not grant any stock options.

As at March 31, 2024, the Company had stock-options outstanding and exercisable enabling holders to acquire the following:

Number of Stock-Options	Exercise Price	Expiry Date
9,832	\$23.50	June 21, 2024
4,351	\$4.75	February 21, 2025
4,680	\$3.50	March 20, 2025
5,000	\$25.00	August 5, 2025
60,000	\$12.00	September 16, 2025
160,000	\$10.50	September 24, 2025
243,863		

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As at March 31, 2024, the Company has 243,863 (December 31, 2023 – 243,863) stock options outstanding with a weighted average price of 11.45.

The stock options have a weighted average remaining life of 1.41 years.

Warrants

A summary of the status of the Company's warrants outstanding and exercisable as at March 31, 2024 and December 31, 2023, and changes during those periods is presented below:

	Number of Warrants Issued	Weighted Average Exercise Price
Balance, December 31, 2022	4,165,482	8.85
Expired	(121,445)	(15)
Balance, December 31, 2023	4,044,038	8.68
Expired	(755,550)	(34.36)
Balance, March 31, 2024	3,288,488	2.77

As at March 31, 2024, the Company had warrants outstanding and exercisable enabling holders to acquire the following:

Number of Warrants Issued	Number of Warrants exercisable	Exercise Price	Expiry Date
23,000	23,000	variable	August 31, 2025
647,059	647,059	0.35	December 9, 2024
2,447,130	2,447,130	1.40	May 27, 2027
171,299	171,299	1.15	May 27, 2027
3,288,488	3,288,488		

As at March 31, 2024, 243,863 (2023 – 243,863) share options and 3,288,488 (2023 – 4,044,038) warrants were excluded from the diluted weighted-average number of ordinary share calculation because their effect would have been anti-dilutive. These options and warrants could potentially dilute basic earnings per share in the future.

10. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

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The following is an analysis of the Company's financial assets and liabilities at fair value as at March 31, 2024 and December 31, 2023:

As at March 31, 2024					
	Level 1		Level 2		Level 3
Cash	\$	20,351	\$	-	\$ -
Total financial assets	\$	20,351	\$	-	\$ -

As at December 31, 2023					
	Level 1		Level 2		Level 3
Cash	\$	37,646	\$	-	\$ -
Total financial assets	\$	37,646	\$	-	\$ -

For the financial instruments, including sales tax receivable, note payable, convertible debentures and accounts payable are measured at amortized cost, the carrying values approximate the fair values of the financial instruments given their short-term maturity as a level 1 input.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held with major financial institutions, from which management believes the risk of loss to be minimal.

On January 4, 2023, the Company entered into share sale agreements with arms length parties and sold 15,250,000 Pangenomic common shares for gross proceeds of \$1,785,365 (Note 4). As of December 31, 2023, the Company has collected \$500,001 from the disposition of these shares. During the period ended March 31, 2023, an expected credit loss provision of \$1,285,365 was recognized in relation to amounts receivables for those shares and included on the statement of loss and comprehensive loss for the reporting year. The increase in the expected credit loss was a result of changes in the expected probability of default at March 31, 2023. The Company is pursuing the collection of this receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company ensures that sufficient funds are raised from private placements or loans to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months of March 31, 2024.

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. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets. The Company is not susceptible to interest rate fair value risk on its convertible debentures and notes payable that bear fixed interest rates.

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Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions and balances denominated in currencies other than the Canadian dollar. The Company performed a sensitivity analysis utilizing a 1% factor and concluded currency risk is not significant to the consolidated financial statements.

11. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company paid or accrued compensation in form of salaries and management fees to companies controlled by directors, executive officers and officers as follows:

	March 31, 2024	March 31, 2023
	\$	\$
Management fees paid or accrued to the CEO	117,330	111,159
Consulting fees paid or accrued to the CFO	15,600	11,800
Salaries paid or accrued to the COO	112,180	106,251
Salaries or management fees paid or accrued to other officers of the Company	181,968	198,220
Total	427,077	427,400

During the period ended March 31, 2024, the Company has an accrual for salaries, bonuses, short term benefits and management fees of \$2,901,257 (December 31, 2023 - \$2,406,808) for the executive team and board of directors included in accounts payable and accrued liabilities within the consolidated statement of financial position. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

12. ACCOUNTS PAYABLE

	March 31, 2024	December 31, 2023
	\$	\$
Accounts payable	4,235,241	4,157,459
Amount due to related parties (Note 11)	2,901,257	2,406,808
Accrued liabilities	140,000	140,000
Total	7,276,498	6,704,267

As at March 31, 2024, the Company do not have outstanding government remittances.

13. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements. There has been no changes in the Company's capital management since fiscal year 2023. Management reviews these policies on an ongoing basis.

14. CONTINGENCIES

As at March 31, 2024, the Company has an outstanding payable balance of \$865,456 to a research partner that is due on August 30, 2024 ("Due Date"). If the Company does not remit payment by the Due Date, the Company will incur a project cancellation fee of \$1,400,000.

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15. COMMITMENTS

For the period ended March 31, 2024, the Company entered into an amended research contract that will create short- and long-term commitments. The Company has promised to pay \$4,931,135 in 2024 and \$2,037,395 in 2025.

15. CORRECTION OF ERRORS

Subsequent to the original issuance of the December 31, 2022 consolidated financial statements, management discovered certain errors in the financial statements for the prior year ended December 31, 2022, comprised of the following:

- Initial valuation of PanGenomic shares and warrants on disposition of Mindleap Health Inc adjusted valuation per share to \$0.23, being the level 1 input on the date of closing. The total adjustment was \$953,166;
- Subsequent valuation of PanGenomic shares and warrants as at December 31, 2022 adjusted the valuation of shares and warrants, using the level 1 input. The total adjustment was \$1,378,968;
- Subsequent valuation of derivative liabilities of \$346,667 to \$Nil and measurement of other financial liability of \$399,774 pursuant to the subsequent valuation of Mindleap’s anti-dilution clause; and,
- Overstatement of accounts payable of \$37,957, effecting the following statement of loss accounts:
 - Increase in office and miscellaneous of \$12,890
 - Increase in regulatory fees of \$19,811
 - Increase in research and development of \$171,242
 - Decrease in professional fees of \$264,751
 - Decrease in consulting fees of \$109,821
 - Decrease in income from discontinued operations of \$132,672

The effects of the restatement on the consolidated statement of financial position as at December 31, 2022 are summarized below.:

	Previously reported \$	Current year adjustments \$	Restated \$
Current assets			
Other current assets	1,594,181	-	1,594,181
Marketable securities	5,617,885	2,332,134	6,950,019
Total current assets	6,212,066	2,332,134	8,544,200
Non-current assets	688,792	-	688,792
Total assets	6,900,858	2,332,134	9,232,992
Current liabilities			
Accounts payable and accrued liabilities	5,371,916	(37,957)	5,333,959
Notes payable	85,204	-	85,204
Derivative liabilities	346,667	(346,667)	-
Other liability	-	399,774	399,774
Total current liabilities	5,803,787	15,150	5,818,937
Non-current liabilities	4,696,974	-	4,696,974
Total liabilities	10,383,239	-	10,515,911
Shareholders’ equity (deficiency)			
Share capital and other	132,881,913	-	132,881,913
Deficit	(136,481,816)	2,316,984	(134,164,832)
Total shareholders’ equity (deficiency)	(3,599,903)	2,316,984	(1,282,919)
Total liabilities and shareholders’ equity (deficiency)	6,900,858	2,332,134	9,232,992

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16. SUBSEQUENT EVENTS

On April 15, 2024, the Company issued 3,628,208 common shares and settled debt of \$61,680 for accounting services rendered.