



NIRVANA LIFE SCIENCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended October 31, 2023

(Unaudited – Prepared by Management)

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of Nirvana Life Sciences Inc. (the “Company”) has been prepared by and is the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of this financial report.

NIRVANA LIFE SCIENCES INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	October 31, 2023	April 30, 2023
ASSETS			
Current assets			
Cash		\$ 9,640	\$ 12,492
Sales tax recoverable		24,676	16,667
Prepaid expenses		27,535	39,409
Total assets		\$ 61,851	\$ 68,568
LIABILITIES AND EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 157,410	\$ 199,770
Amounts due to related parties	7	732,938	750,188
Loan payable to related party	7	21,664	58,397
Total liabilities		912,012	1,008,355
Equity (deficiency)			
Share capital	8	6,924,885	6,381,885
Share subscription proceeds	8	-	109,934
Share-based payments reserve	9	503,661	316,873
Deficit		(8,274,409)	(7,745,040)
Equity (deficiency) attributable to shareholders of Nirvana Life Sciences Inc.		(845,863)	(936,348)
Equity attributable to non-controlling interests	11	(4,298)	(3,439)
Total equity (deficiency)		(850,161)	(939,787)
Total liabilities and equity (deficiency)		\$ 61,851	\$ 68,568

Nature of business and going concern (Note 1)

The consolidated financial statements were authorized for issue by the board of directors on January 2, 2024 and were signed on its behalf by:

“Bruce Clark” Director “Annie Storey” Director

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

NIRVANA LIFE SCIENCES INC.**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(EXPRESSED IN CANADIAN DOLLARS)

(Unaudited – Prepared by Management)

	Note	Three Months Ended October 31, 2023	Three Months Ended October 31, 2022	Six Months Ended October 31, 2023	Six Months Ended October 31, 2022
EXPENSES					
Accounting and audit		\$ 8,022	\$ 6,000	\$ 12,022	\$ 6,000
Consulting	7	30,000	49,500	60,000	99,000
Depreciation		-	22,911	-	45,822
Investor relations		726	14,917	951	26,917
Legal fees		268	-	869	-
Loan interest	7	-	918	665	918
Management fees	7	45,000	45,000	90,000	120,000
Marketing and promotion		167	67,601	2,709	135,452
Office and miscellaneous		3,129	4,786	6,418	7,577
Professional fees		-	15,777	-	30,040
Rent		-	19,523	-	40,172
Research and development	7, 11	20,569	20,261	67,736	43,049
Share-based payments	7, 9	46,262	-	122,788	-
Transfer agent and filing fees		14,588	7,786	19,070	12,782
Loss before items below		(168,731)	(274,980)	(383,228)	(567,729)
Interest income		-	54	-	54
Gain on debt settlement	7, 8	-	-	28,000	18,338
Loss on acquisition of assets	4	-	-	(175,000)	-
Loss and comprehensive loss for the period		\$ (168,731)	\$ (274,926)	\$ (530,228)	\$ (549,337)
Attributable to:					
Equity holders of Nirvana Life Sciences Inc.		\$ (168,387)	\$ (274,772)	\$ (529,369)	\$ (549,017)
Non-controlling interests		\$ (344)	\$ (154)	\$ (859)	\$ (320)
Loss per share attributable to equity holders of Nirvana Life Sciences Inc.					
Basic and diluted loss per common share	8	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding		48,233,010	34,033,010	45,133,010	33,856,859

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

NIRVANA LIFE SCIENCES INC.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share subscription proceeds	Share-based payments reserve	Deficit	Total equity (deficiency) attributable to shareholders	Non-controlling interests	Total deficiency
Balance, April 30, 2023		34,033,010	\$ 6,381,885	\$ 109,934	\$ 316,873	\$ (7,745,040)	\$ (936,348)	\$ (3,439)	\$ (939,787)
Shares issued for private placement	8	6,400,000	256,000	(109,934)	64,000	-	210,066	-	210,066
Shares issued for debt settlement	8	2,800,000	112,000	-	-	-	112,000	-	112,000
Shares issued for asset acquisition	4, 8	5,000,000	175,000	-	-	-	175,000	-	175,000
Share-based payments	9	-	-	-	122,788	-	122,788	-	122,788
Comprehensive loss		-	-	-	-	(529,369)	(529,369)	(859)	(530,228)
Balance, October 31, 2023		48,233,010	\$ 6,924,885	\$ -	\$ 503,661	\$ (8,274,409)	\$ (845,863)	\$ (4,298)	\$ (850,161)

	Note	Number of Shares	Share capital	Share-based payments reserve	Deficit	Total equity (deficiency) attributable to shareholders	Non-controlling interests	Total deficiency
Balance, April 30, 2022		33,020,139	\$ 5,983,143	\$ 112,280	\$ (6,257,738)	\$ (162,315)	\$ 723	\$ (161,592)
Shares issued for private placement	8	500,000	150,000	-	-	150,000	-	150,000
Shares issued for debt settlement	8	512,871	248,742	-	-	248,742	-	248,742
Comprehensive loss		-	-	-	(549,017)	(549,017)	(320)	(549,337)
Balance, October 31, 2022		34,033,010	\$ 6,381,885	\$ 112,280	\$ (6,806,755)	\$ (312,590)	\$ 403	\$ (312,187)

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

NIRVANA LIFE SCIENCES INC.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED OCTOBER 31
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (530,228)	\$ (549,337)
Items not affecting cash:		
Accrued loan interest	665	918
Depreciation	-	45,822
Gain on debt settlement	(28,000)	(18,338)
Loss on acquisition of assets	175,000	-
Share-based payments	122,788	-
Changes in non-cash working capital items:		
Sales tax recoverable	(8,009)	1,165
Prepaid expenses	11,874	169,899
Accounts payable and accrued liabilities	(22,360)	1,661
Amounts due to related parties	102,750	108,531
Net cash used in operating activities	(175,520)	(239,679)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	210,066	150,000
Loan from related party	21,664	59,690
Repayment of related party loan	(50,000)	-
Loan interest paid	(9,062)	-
Net cash provided by financing activities	172,668	209,690
Change in cash during the period	(2,852)	(29,989)
Cash, beginning of the period	12,492	35,769
Cash, end of the period	\$ 9,640	\$ 5,780

Supplemental disclosures with respect to cash flows (Note 12)

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

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

1. NATURE OF BUSINESS AND GOING CONCERN

Nirvana Life Sciences Inc. (the “Company”) was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at Suite 2100, 650 West Georgia Street, Vancouver, B.C. V6B 4N8. The Company is primarily engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company is also focused on developing methodologies for standardized, quality-controlled extraction and purification of psychoactive compounds. The Company’s common shares are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “NIRV”.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its liabilities in the ordinary course of business. As at October 31, 2023, the Company has not yet achieved profitable operations, has an accumulated deficit of \$8,274,409, and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the future, in which case the Company may be unable to meet its obligations.

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

2. BASIS OF PREPARATION**Statement of compliance**

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended April 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

2. BASIS OF PREPARATION (cont'd...)**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

The legal subsidiaries of the Company as of October 31, 2023 are as follows:

Name of Subsidiary	Place of Incorporation	Ownership Interest
1253766 B.C. Ltd. (“1253BC”)	Canada	99.34%
Medsmart Dispensary Inc. (“Medsmart”)	Canada	100%

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates 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. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) Depreciation of equipment is dependent upon estimates of useful lives. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.
- ii) The determination of the fair value of stock options and agent’s warrants using option pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

NIRVANA LIFE SCIENCES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

2. BASIS OF PREPARATION (cont'd...)

Significant judgements

The preparation of these consolidated financial statements requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's financial statements include:

- i) The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its working capital requirements and whether there are events or conditions that may give rise to material uncertainty.
- ii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual financial statements for the year ended April 30, 2023 were consistently applied to all the periods presented unless otherwise noted below.

New accounting standards

There were no new or amended IFRS pronouncements effective May 1, 2023 that impacted the Company's consolidated financial statements.

4. ACQUISITION TRANSACTION

On July 31, 2023, the Company completed an acquisition of all of the issued and outstanding securities of Medsmart Dispensary Inc. ("Medsmart"), a non-related Canadian based private company. In consideration for all outstanding securities of Medsmart, the Company issued 5,000,000 common shares of the Company to the existing shareholders of Medsmart. Medsmart holds the exclusive license to distribute SOSA, a patented herbal medicine designed to detoxify the human body, for North America with the right to extend the license to territories including Europe, Oceania, and the balance of the Americas. The fair value of the common shares issued to the Medsmart's shareholders was determined to be \$175,000 based on the fair value of the consideration shares on the date of issuance.

At the date of acquisition, The Company determined that Medsmart did not constitute a business as defined under IFRS 3, Business Combinations, and the acquisition was accounted for as an asset acquisition. There were no intangible assets identified that met the recognition criteria under IFRS; therefore, the excess of the consideration paid over the fair value of the monetary assets and liabilities assumed was expensed.

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

4. ACQUISITION TRANSACTION (cont'd...)

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition

Total consideration	
5,000,000 common shares measured at a fair value of \$0.035 per share	\$ 175,000
Net identifiable assets acquired (liabilities assumed)	\$ -
Loss on acquisition of assets	\$ 175,000

5. EQUIPMENT

	October 31, 2023			April 30, 2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Laboratory equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

During the year ended April 30, 2023, the Company was no longer using the equipment and determined that equipment became obsolete. The fair value of the recoverable amount obtained from the marketplace was \$nil. The Company thus recognized an impairment loss of \$251,000 on the carrying value of the equipment.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2023	April 30, 2023
Trade payables	\$ 141,505	\$ 167,546
Accrued liabilities	9,000	25,319
Other payables	6,905	6,905
	\$ 157,410	\$ 199,770

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS

Amounts due to related parties of \$732,938 (April 30, 2023 - \$750,188) are fees charged by an officer and companies controlled by a director and officers of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

During the six months ended October 31, 2023, the Company issued 2,400,000 common shares with a fair value of \$96,000 to settle \$120,000 of amounts due to related parties. A gain of \$24,000 was realized on the settlement.

On August 25, 2022, the Company received a loan of \$50,000 from a company affiliated with a director of the Company. The loan is unsecured, bears annual interest at 10% and is payable on November 30, 2022. As at April 30, 2023, the Company accrued interest and late repayment charge totaling \$8,397 on the loan. During the six months ended October 31, 2023, the Company repaid the loan and accrued interest and penalty in full.

During the period from incorporation on June 17, 2020 to April 30, 2021, a company controlled by a significant shareholder of the Company borrowed \$100,000 from the Company. The loan was unsecured, repayable on March 15, 2022, and bears interest at a rate of 5% per annum. During the year ended April 30, 2022, the company controlled by the same significant shareholder of the Company borrowed additional \$207,000 from the Company. The loan was unsecured, repayable on March 15, 2022, and bears interest at a rate of 5% per annum. As at October 31, 2023, the related party had not repaid the loans totaling \$307,000 and the accrued interest receivable on the loans of \$12,478. The Company has recorded an allowance for the full amount of \$319,478 due to the uncertainty of the collectability of the amounts during the year ended April 30, 2022. The collection uncertainty continues to exist at April 30, 2023 and October 31, 2023.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the six month periods ended October 31 is as follows:

	2023	2022
Management fees	\$ 90,000	\$ 120,000
Consulting fees	60,000	99,000
Research and development	40,923	43,049
Share-based payments	93,074	-
Total	\$ 283,997	\$ 262,049

NIRVANA LIFE SCIENCES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS (cont'd...)

The Company entered into the following related party transactions during the six months ended October 31, 2023:

- a) Paid or accrued management fees of \$90,000 (2022 - \$90,000) to a company controlled by the CEO of the Company.
- b) Paid or accrued management fees of \$nil (2022 - \$30,000) to a company controlled by the former CFO of the Company.
- c) Paid or accrued consulting fees of \$40,923 (2022 - \$43,049) to the Chief Scientific Officer (“CSO”) of the Company for scientific research work provided.
- d) Paid or accrued consulting fees of \$60,000 (2022 - \$60,000) to the Chief Technology Officer (“CTO”) of the Company for consulting services provided.
- e) Paid or accrued consulting fees of \$nil (2022 - \$39,000) to the former Head of Operation and Extraction (“HOE”) of the Company for operation consulting services provided.

The Company has entered into a service agreement with a company controlled separately by the Chief Executive Officer (“CEO”) of the Company for a total monthly base fee of \$15,000, with no specified term. The services agreements may be terminated with a termination payment equal to twenty-four months of base fee.

The Company has entered into a consulting agreement with the CSO of the Company for a monthly fee of US\$5,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months’ remuneration.

The Company has entered into a consulting agreement with the CTO of the Company for a monthly fee of \$10,000. The agreement is for a five year term and may be terminated with a three month notice or a termination payment equal to three months’ remuneration.

8. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At October 31, 2023, the Company had 48,233,010 common shares outstanding (April 30, 2023 - 34,033,010 common shares).

NIRVANA LIFE SCIENCES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

8. SHARE CAPITAL

Share issuance

During the six months ended October 31, 2023, the Company

- (a) Completed a non-brokered private placement of 6,400,000 units at a price of \$0.05 per unit for gross proceeds of \$320,000. Each unit is comprised of one common share and one-half share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.15. \$64,000 of the proceeds was allocated to the warrants based on the residual method. Related Parties subscribed for all 6,400,000 units.
- (b) Issued 5,000,000 common shares of the Company with a fair value of \$175,000 pursuant to the Medsmart acquisition transaction (Note 4).
- (b) Issued 2,800,000 common shares with a fair value of \$112,000 to settle \$140,000 of accounts payable due to officers of the Company and a service provider. A gain of \$28,000 was realized on the settlement.

During the year ended April 30, 2023, the Company:

- a) completed a non-brokered private placement of 500,000 units at a price of \$0.30 per unit for gross proceeds of \$150,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 36 months at an exercise price of \$0.50. No value was allocated to the warrants based on the residual method. A related party to the Company subscribed for all 500,000 units.
- b) issued 512,871 common shares with a fair value of \$248,742 to settle \$267,080 of accounts payable due to certain service providers. A gain of \$18,338 was realized on the settlement.

Escrowed shares

18,532,762 common shares were placed in escrow and subject to a 36 month staged release escrow agreement in which 10% of escrowed securities was released on upon the completion of the RTO and 15% every 6 months thereafter. As at October 31, 2023, 8,339,744 common shares remain in escrow.

9. SHARE-BASED PAYMENTS

Stock options

The Company has a stock option plan under which it is authorized to grant stock options or restricted stock units (“RSU”) to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant, subject to a minimum price of \$0.10 per share. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

9. SHARE-BASED PAYMENTS (cont'd...)

Stock option transactions are summarized as follows:

	Number of options	Weighted Average Exercise Price
Balance, April 30, 2022	300,000	\$ 0.25
Granted	600,000	0.55
Expired	(300,000)	0.25
Balance, April 30, 2023	600,000	\$ 0.55
Granted	2,600,000	0.15
Balance, October 31, 2023	3,200,000	\$ 0.23
Exercisable at October 31, 2023	1,828,000	\$ 0.27
Weighted average fair value of options granted during the period	\$ 0.03	(2022 - \$0.51)

The fair value calculated for stock options granted during the six months ended October 31, 2023 was \$84,074 (2022 - \$306,878) using the Black-Scholes Option Pricing Model. For the six months ended October 31, 2023, the Company recognized share based payment expense of \$122,788 (2022 - \$nil) based on the vesting provisions of stock options granted.

The following weighted average assumptions were used for the Black-Scholes Option Pricing Model valuation of stock options granted:

	2023	2022
Risk-free interest rate	3.10%	2.75%
Expected life of options	5 years	5 years
Annualized volatility	142.22%	142.12%
Share prices	\$0.04	\$0.57
Forfeiture rate	Nil	Nil
Dividend rate	Nil	Nil

As at October 31, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
600,000	\$ 0.55	May 1, 2027
2,600,000	\$ 0.15	May 1, 2028
3,200,000		

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

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(Unaudited – Prepared by Management)

9. SHARE-BASED PAYMENTS (cont'd...)**Warrants**

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants and bonus warrants are measured at fair value on the date of the grant as determined using the Black-Scholes Option Pricing Model.

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2022	-	\$	-
Warrants granted	500,000		0.50
Balance, April 30, 2023	500,000	\$	0.50
Warrants granted	3,200,000		0.15
Balance, October 31, 2023	3,700,000	\$	0.20

As at October 31, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
500,000	\$ 0.50	June 1, 2025
3,200,000	\$ 0.15	May 12, 2025
3,700,000		

10. RESEARCH AND DEVELOPMENT

Components of research and development costs are as follows:

	2023		2022	
Consulting fees	\$	40,923	\$	43,049
External laboratory costs		26,813		-
Total	\$	67,736	\$	43,049

NIRVANA LIFE SCIENCES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

11. NON-CONTROLLING INTERESTS

The Company holds 99.34% equity interest in 1253BC. The non-controlling interests represent the 0.66% equity interest in 1253BC held by two minority shareholders.

The continuity of non-controlling interests is summarized as follows:

	October 31, 2023	April 30, 2023
Balance, beginning of the year	\$ (3,439)	\$ 723
Share of net loss	(859)	(4,162)
Balance, end of the period/year	\$ (4,298)	\$ (3,439)

12. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the six months ended October 31, 2023 included:

- (a) The Company issued 2,800,000 common shares with a fair value of \$112,000 to settle \$20,000 of accounts payable and \$120,000 of amounts due to related parties.

There were no significant non-cash transactions during the six months ended October 31, 2022.

13. SEGMENT INFORMATION**Operating segments**

The Company operates in a single reportable segment – research and development of therapeutic products derived from psychedelics.

Geographic segments

All of the Company's non-current assets are located in Canada.

NIRVANA LIFE SCIENCES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

14. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and loan receivable from related party as subsequently measured at amortized cost financial assets; and accounts payables, amounts due to related parties, and loans from related parties as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash, trade and other payables, amounts due to related parties, and loans from related parties carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Loan receivable from related party is due from a significant shareholder of the Company. The Company recorded an allowance for the full amount of \$319,478 because the significant shareholder did not repay the loan on due date and has not provided a proposed repayment date. The Company intends to take legal action to recover the loan amount and accrual interest. However, the outcome of the action is not determinable yet.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at October 31, 2023, the Company had current assets of \$61,851 and current liabilities of \$912,012. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand. The loans payable to related parties are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings (Note 1). The Company is exposed to liquidity risk.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

NIRVANA LIFE SCIENCES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

SIX MONTHS ENDED OCTOBER 31, 2023

(Unaudited – Prepared by Management)

15. FAIR VALUE MEASUREMENTS

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. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at October 31, 2023, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the six months ended October 31, 2023.

17. CAPITAL MANAGEMENT

In the management of capital, the Company includes components of shareholders' deficiency in the definition of capital. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and development of its business. The Board of Directors does not establish qualitative 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 dependent upon external financing to fund its activities. In order to carry out the planned activities, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new opportunities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements