NIRVANA LIFE SCIENCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Nirvana Life Sciences Inc.

Opinion

We have audited the consolidated financial statements of Nirvana Life Sciences Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

Yours truly,

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 4, 2024

NIRVANA LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
YEARS ENDED APRIL 30
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2024	2023
ASSETS			
Current assets			
Cash		$ 1,913	$ 12,492
Sales tax recoverable		18,752	16,667
Prepaid expenses		-	39,409
Total assets		$ 20,665	$ 68,568
LIABILITIES AND DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 211,860	$ 199,770
Amounts due to related parties	8	917,938	750,188
Loan payable to related party	8	28,268	58,397
Total liabilities		1,158,066	1,008,355
Deficiency			
Share capital	9	6,924,885	6,381,885
Share subscription proceeds	9	-	109,934
Share-based payments reserve	10	559,556	316,873
Deficit		(8,616,864)	(7,745,040)
Deficiency attributable to shareholders of Nirvana Life Sciences Inc.		(1,132,423)	(936,348)
Deficiency attributable to non-controlling interests	12	(4,978)	(3,439)
Total deficiency		(1,137,401)	(939,787)
Total liabilities and deficiency		$ 20,665	$ 68,568

Nature of business and going concern (Note 1)

The consolidated financial statements were authorized for issue by the board of directors on December 3, 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.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED APRIL 30
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2024	2023
EXPENSES			
Accounting and audit		$ 57,722	$ 37,000
Consulting	8	140,000	159,000
Depreciation	5, 6	18,314	91,644
Investor relations		1,945	50,390
Legal fees	8	10,869	10,566
Loan interest	8	665	8,397
Management fees	8	180,000	210,000
Marketing and promotion		2,500	248,474
Office and miscellaneous		10,908	8,479
Professional fees		-	73,440
Rent		-	34,253
Research and development	8, 11	115,221	91,527
Share-based payments	8, 10	178,683	204,593
Transfer agent and filing fees		27,425	24,611
Travel		425	6,482
Loss before items below		(744,677)	(1,258,856)
Interest income		-	54
Gain on debt settlement	8, 9	28,000	18,338
Impairment loss on equipment	5	-	(251,000)
Impairment loss on intangible asset	6	(156,686)	-
Loss and comprehensive loss for the year		$ (873,363)	$ (1,491,464)
Attributable to:			
Equity holders of Nirvana Life Sciences Inc.		(871,824)	(1,487,302)
Non-controlling interests	12	(1,539)	(4,162)
Loss per share attributable to equity holders of Nirvana Life Sciences Inc.			
Basic and diluted loss per common share		$ (0.02)	$ (0.04)
Weighted average number of common shares outstanding		46,709,174	33,944,210

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

NIRVANA LIFE SCIENCES INC.
CONSOLIDATED STATEMENT OF CHANGES IN DEFICIENCY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share capital	Share subscription proceeds	Share-based payments reserve	Deficit	Total 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	9	500,000	150,000	-	-	-	150,000	-	150,000
Shares issued for debt settlement	9	512,871	248,742	-	-	-	248,742	-	248,742
Share subscriptions	9	-	-	109,934	-	-	109,934	-	109,934
Share-based payments	10	-	-	-	204,593	-	204,593	-	204,593
Comprehensive loss		-	-	-	-	(1,487,302)	(1,487,302)	(4,162)	(1,491,464)
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	9	6,400,000	256,000	(109,934)	64,000	-	210,066	-	210,066
Shares issued for debt settlement	9	2,800,000	112,000	-	-	-	112,000	-	112,000
Shares issued for asset acquisition	4, 9	5,000,000	175,000	-	-	-	175,000	-	175,000
Share-based payments	10	-	-	-	178,683	-	178,683	-	178,683
Comprehensive loss		-	-	-	-	(871,824)	(871,824)	(1,539)	(873,363)
					-				
Balance, April 30, 2024		48,233,010	$ 6,924,885	$ -	$ 559,556	$ (8,616,864)	$ (1,132,423)	$ (4,978)	$ (1,137,401)

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

NIRVANA LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED APRIL 30
(EXPRESSED IN CANADIAN DOLLARS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (873,363)	$ (1,491,464)
Items not affecting cash:		
Accrued loan interest	665	8,397
Depreciation	18,314	91,644
Gain on debt settlement	(28,000)	(18,338)
Impairment loss on equipment	-	251,000
Impairment loss on intangible asset	156,686	-
Share-based payments	178,683	204,593
Shares issued for services	-	244,973
Changes in non-cash working capital items:		
Sales tax recoverable	(2,085)	(2,681)
Prepaid expenses	39,409	54,771
Accounts payable and accrued liabilities	32,090	53,789
Amounts due to related parties	287,750	270,105
Net cash used in operating activities	(189,851)	(333,211)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	151,004	150,000
Proceeds from share subscriptions	-	109,934
Loan from related party	28,268	50,000
Net cash provided by financing activities	179,272	309,934
Change in cash during the year	(10,579)	(23,277)
Cash, beginning of the year	12,492	35,769
Cash, end of the year	$ 1,913	$ 12,492

Supplemental disclosures with respect to cash flows (Note 13)

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

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 research and development of therapeutic products that can address addiction. The Company is also focused on bringing established addictions focused therapies through the regulatory process and into the North American market. 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 April 30, 2024, the Company has not yet achieved profitable operations, has an accumulated deficit of $8,616,864, 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 consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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.

Functional and presentation currency

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

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 April 30, 2024 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%

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) The assessment of any impairment for equipment and finite life intangible 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.

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 applied in 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 an indication of impairment loss or a reversal of an impairment loss exists for equipment and finite life intangible assets.

iii) The assessment of the acquisition of Medsmart Dispensary Inc. as an asset acquisition and valuation of the consideration paid.

iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Intangible assets

Intangible assets consist of a license acquired by the Company. Intangible assets with finite lives are carried at cost less accumulated amortization and impairment. Any impairment of intangible assets is recognized in the consolidated statement of loss and comprehensive loss in the period it is incurred. In allocating a reversal of an impairment loss, the carrying amount of an asset is not increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior period.

Estimated useful lives of intangible assets are the shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The Company's license is amortized on a straight-line basis over its remaining term of 7.2 years.

Impairment of non-financial assets

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in statement of comprehensive loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. None of the Company's financial assets are classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as equity instruments at FVTOCI remain within accumulated other comprehensive income.

(ii) Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost which include accounts payable. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Financial instruments (cont'd…)

(iii) Impairment of financial assets

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.

Research and development

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate probable future economic benefits;
- the availability of resources to complete the development; and
- its ability to measure reliably the expenditure during its development.

All of the Company's projects are currently at research phase, and therefore, costs are expensed in the consolidated statement of loss and comprehensive loss during the period.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Earnings / loss per share

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For the period presented, the earnings/loss attributable to common shareholders equals the reported earnings/loss attributable to owners of the Company. The diluted earnings/loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options, in the weighted average number of common shares outstanding during the period, if dilutive.

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

New accounting standards

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

(EXPRESSED IN CANADIAN DOLLARS)

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 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, in 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, as substantially all of the fair value of Medsmart was concentrated in one group of assets: its intellectual property. Accordingly, the acquisition was accounted for as an asset acquisition. The excess of the consideration paid over the fair value of the monetary assets and liabilities assumed was recognized as an intangible asset.

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)	$	-
Intangible asset	$	175,000

5. 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. During the year ended April 30, 2023, the Company also recorded a depreciation expense of $91,644 on the equipment.

6. INTANGIBLE ASSET

The Company's intangible asset comprises an exclusive license to distribute SOSA in North America, acquired through the acquisition of Medsmart. During the year ended April 30, 2024, the Company recorded an amortization expense of $18,314. Due to uncertainties regarding the timing of the approval process by health authorities in these regions, the Company recognized an impairment loss of $156,686 on the carrying amount as of April 30, 2024.

(EXPRESSED IN CANADIAN DOLLARS)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2024		2023
Trade payables	$	180,955	$	167,546
Accrued liabilities		24,000		25,319
Other payables		6,905		6,905
	$	211,860	$	199,770

Accounts payable 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.

8. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $917,938 (April 30, 2023 - $750,188) are fees charged by officers 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 year ended April 30, 2024, the Company issued 2,400,000 common shares with a fair value of $96,000 to settle $120,000 of amounts due to the CEO and the Corporate Secretary. 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 was unsecured, bore annual interest at 10% and was payable on November 30, 2022. During the year ended April 30, 2024, the Company accrued interest and late repayment charge totaling $665 (2023 - $8,397) on the loan. During the year ended April 30, 2024, the Company repaid the loan and accrued interest and penalty in full.

Loan payable to related party of $28,268 as at April 30, 2024 are advances from the CEO of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

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 years ended April 30 is as follows:

		2024		2023
Management fees	$	180,000	$	210,000
Consulting fees		140,000		159,000
Legal fees		10,000		-
Research and development		61,173		84,288
Share-based payments		136,801		204,593
Total	$	527,974	$	657,881

8. RELATED PARTY TRANSACTIONS (cont'd…)

The Company entered into the following related party transactions during the year ended April 30, 2024:

a) Incurred management fees of $180,000 (2023 - $180,000) to a company controlled by the CEO of the Company.

b) Incurred management fees of $nil (2023 - $30,000) to a company controlled by the former CFO of the Company.

c) Incurred legal fees of $10,000 (2023 - $10,566) to a company controlled by the Corporate Secretary of the Company.

d) Incurred consulting fees of $61,173 (2023 - $84,288) to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided.

e) Incurred consulting fees of $140,000 (2023 - $120,000) to the Chief Technology Officer ("CTO") of the Company for consulting services provided.

f) Incurred consulting fees of $nil (2023 - $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 by the 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.

9. SHARE CAPITAL

Authorized share capital

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

Issued share capital

At April 30, 2024, the Company had 48,233,010 common shares outstanding (April 30, 2023 - 34,033,010 common shares).

During the year ended April 30, 2024, 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. Of this amount, $109,934 was received during the year ended April 30, 2023. 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. Directors 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).

(c) 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.

(EXPRESSED IN CANADIAN DOLLARS)

9. SHARE CAPITAL (cont'd…)

Share issuance (cont'd…)

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 April 30, 2024, 5,559,830 common shares remain in escrow. Subsequent to April 30, 2024, 2,779,914 common shares were released from escrow.

10. 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.
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, April 30, 2024	3,200,000	$	0.23
Exercisable at April 30, 2024	1,780,000	$	0.26
Weighted average fair value of options granted during the year	$	0.035	(2023 - $0.51)

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

The fair value calculated for stock options granted during the year ended April 30, 2024 was $91,520 (2023 - $306,878) using the Black-Scholes Option Pricing Model. For the year ended April 30, 2024, the Company recognized share based payment expense of $178,683 (2023 - $204,593) 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:

	2024	2023
Risk-free interest rate	3.10%	2.75%
Expected life of options	5 years	5 years
Annualized volatility	162.38%	142.12%
Share prices	$0.04	$0.57
Forfeiture rate	Nil	Nil
Dividend rate	Nil	Nil

As at April 30, 2024, 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		

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, April 30, 2024	3,700,000	$ 0.20

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

As at April 30, 2024, 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		

11. RESEARCH AND DEVELOPMENT

Components of research and development costs are as follows:

	2024	2023
Consulting fees	$ 61,173	$ 84,288
External laboratory costs	26,813	-
Supplies and materials	27,235	7,239
Total	$ 115,221	$ 91,527

12. 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:

	2024	2023
Balance, beginning of the year	$ (3,439)	$ 723
Share of net loss	(1,539)	(4,162)
Balance, end of the year	$ (4,978)	$ (3,439)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the year ended April 30, 2024 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.

(b) The Company issued 5,000,000 common shares of the Company with a fair value of $175,000 to acquire Medsmart.

Significant non-cash investing and financing transactions during the year ended April 30, 2023 included:

(a) The Company issued 512,871 common shares with a fair value of $248,742 to settle $267,080 of accounts payable due to certain service providers.

14. SEGMENT INFORMATION

Operating segments

The Company operates in a single reportable segment – research and development of products to address addiction.

Geographic segments

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

15. 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

(EXPRESSED IN CANADIAN DOLLARS)

16. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss before income taxes	$ (873,363)	$ (1,491,464)
Statutory tax rate	27%	27%
Expected income tax recovery at statutory rates	$ (236,000)	$ (403,000)
Change in statutory, foreign tax, foreign exchange rates and other	4,000	(2,000)
Permanent differences	91,000	50,000
Adjustment to prior years provision versus statutory tax returns	227,000	-
Change in unrecognized deferred tax assets	(86,000)	355,000
Deferred income tax expense	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2024	2023
Non-capital losses available for future periods	$ 1,377,000	$ 1,332,000
Capital losses	-	133,000
Equipment	128,000	124,000
Financing fees	2,000	4,000
Unrecognized deferred income tax assets	$ 1,507,000	$ 1,593,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary differences:				
Financing fees	$ 7,000	2025	$ 15,000	2024 to 2025
Non-capital losses available for future periods	$ 5,097,000	2032 to 2044	$ 4,932,000	2032 to 2043

17. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash 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. Management does not expect these counterparties to fail to meet their obligations.

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 April 30, 2024, the Company had current assets of $20,665 and current liabilities of $1,158,066. 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 have no specific terms of repayment.

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.

18. 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 April 30, 2024, 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 year ended April 30, 2024.