



nDatalyze Corp.
Financial Statements
expressed in Canadian dollars

For the years ended February 29, 2024 and February 28, 2023

Independent Auditors' Report

To: The Shareholders of **nDatalyze Corp.**

Opinion

We have audited the consolidated financial statements of nDatalyze Corp. and its subsidiary (collectively, the "Company"), which comprise the consolidated statements of financial position as at February 29, 2024 and February 28, 2023 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024 and February 28, 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 Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 2 to the consolidated financial statements which indicates that at February 29, 2024 the Company had a loss and comprehensive loss of \$155,601. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified 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 and not otherwise addressed in our report. 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 of our report, we have determined that there are no key audit matters to be communicated in our auditors' report.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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 auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Independent Auditors' Report (continued)

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 judgement and maintain professional skepticism throughout the audit. We also:

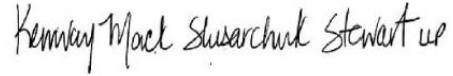
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditors' Report (continued)

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.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.



Chartered Professional Accountants

June 26, 2024
Calgary, Alberta

nDatalyze Corp.
Consolidated Statements of Financial Position
expressed in Canadian dollars

As at

	February 29, 2024	February 28, 2023
Assets		
Current		
Cash	\$ 794,101	\$ 742,739
Accounts receivable	59,704	70,698
Inventory (Note 5)	-	22,376
Prepaid expenses and deposits	99	4,179
	853,906	839,992
Non-current Assets		
Furniture and Equipment, net of accumulated amortization	1,453	802
Intangibles (Note 6)	22,549	21,213
	\$ 877,906	\$ 862,007
Liabilities		
Current		
Accounts payable and accruals	\$ 38,260	\$ 289,269
	38,260	289,269
Shareholders' Equity		
Share capital (Note 7)	\$ 2,665,939	\$ 2,451,048
Warrants (Note 8)	58,109	29,236
Contributed surplus (Note 12)	1,668,871	1,490,126
Deficit	(3,553,273)	(3,397,672)
	839,646	572,738
	\$ 877,906	\$ 862,007
Going concern (Note 2)		
Subsequent events (Note 17)		

Approved on behalf of the Board of Directors

Signed "Jim Durward"

Director

Signed "Steve Price"

Director

The accompanying notes are an integral part of these financial statements

nDatalyze Corp.
Consolidated Statements of Loss and Comprehensive Loss
expressed in Canadian dollars
For the years ended

Revenues	February 29, 2024	February 28, 2023
Sales (Note 13)	\$ 96,342	\$ 171,215
Cost of Sales	28,953	126,371
Gross margin	\$ 67,389	\$ 44,844
Expenses		
Depreciation and amortization	\$ 2,189	\$ 2,207
Advertising and promotion (recovery) (Note 16)	(162,443)	522,864
Warranty	83	1,062
Interest and bank charges	1,651	1,871
Contractors	28,767	58,395
Legal, audit, and professional	84,532	96,659
Travel, meals and entertainment	10,562	13,721
Research and development	146,224	254,589
Research and Development Tax credit (Note 9)	(138,737)	-
Insurance	-	7,745
Investor relations	106,517	306,193
Office expenses	2,361	8,549
Accounting	10,000	11,000
Rent	5,030	8,400
Utilities	702	1,173
Share based compensation (Note 12)	149,509	-
Total expenses	\$ 246,947	\$ 1,294,428
Other Income		
Foreign exchange gain (loss)	\$ (637)	\$ 102
Interest Income	24,594	17,379
Total other income	\$ 23,957	\$ 17,481
Net operating loss and comprehensive loss	\$ (155,601)	\$ (1,232,103)
Loss per share (basic and diluted)		
	\$ (0.00)	\$ (0.03)
Weighted average shares outstanding (basic and diluted)	38,889,207	38,551,425

The accompanying notes are an integral part of these financial statements

nDatalyze Corp.
Consolidated Statements of Changes in Shareholders' Equity
expressed in Canadian dollars

For the years ended

	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at February 28, 2022	2,268,254	706,793	819,827	(2,165,569)	1,629,305
Units issued for cash	133,500	-	-	-	133,500
Fair value of warrants (Note 8)	(26,236)	26,236	-	-	-
Share issue costs (Note 7)	(12,365)	3,000	-	-	(9,365)
Warrants exercised	87,895	(36,494)	-	-	51,401
Warrants expired	-	(670,299)	670,299	-	-
Net loss	-	-	-	(1,232,103)	(1,232,103)
As at February 28, 2023	2,451,048	29,236	1,490,126	(3,397,672)	572,738
Units issued for cash	277,800	-	-	-	277,800
Fair value of warrants (Note 8)	(58,109)	58,109	-	-	-
Share issue costs (Note 7)	(4,800)	-	-	-	(4,800)
Warrants expired	-	(29,236)	29,236	-	-
Share based compensation	-	-	149,509	-	149,509
Net loss	-	-	-	(155,601)	(155,601)
As at February 29, 2024	2,665,939	58,109	1,668,871	(3,553,273)	839,646

The accompanying notes are an integral part of these financial statements

nDatalyze Corp.
Consolidated Statements of Cash Flows
expressed in Canadian dollars
For the years ended

	February 29, 2024	February 28, 2023
Operating activities		
Net loss	\$ (155,601)	\$ (1,232,103)
Depreciation and amortization	2,189	2,207
Share based compensation (Note 12)	149,509	-
Change in non-cash working capital (Note 15)	(213,561)	206,100
Cash flows used in operating activities	\$ (217,464)	\$ (1,023,796)
Investing activities		
Purchase of furniture and equipment	\$ (1,551)	\$ -
Intangible assets (Note 6)	(2,623)	(4,386)
Cash flows used in investing activities	(4,174)	(4,386)
Financing activities		
Issuance of common share and warrants, net of costs	\$ 273,000	\$ 124,135
Warrants exercised	-	51,401
Cash flows provided by financing activities	273,000	175,536
(Decrease) increase in cash	51,362	(852,646)
Cash, beginning of year	742,739	1,595,385
Cash, end of year	\$ 794,101	\$ 742,739

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

nDatalyze Corp. (formerly MedXtractor Corp.) (the "Company") was incorporated on January 24, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). On October 22, 2021 the Company changed its name to nDatalyze Corp.

The Company generates technologically-based solutions in diverse fields such as using pressurized CO₂ as a solvent, and applying machine learning to a proprietary records database to predict probable mental health conditions. The Company is publicly trading and listed on the Canadian Securities Exchange (CSE:NDAT) and the USOTC (NDATF).

On July 13, 2020, the Company incorporated a wholly-owned subsidiary 2273670 Alberta Ltd. for manufacturing alcohol-based extractors. The head office and registered office of the Company is located at Suite 1150, 707 – 7th Ave. SW Calgary, Alberta T2P 3H6.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning March 1, 2022.

These consolidated financial statements were authorized for issue in accordance with a resolution of the director on June 26, 2024.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the year ended February 29, 2024 incurred a net loss of \$155,601 (cumulative deficit of \$3,553,273) and used cash flow in operating activities of \$217,464. The Company has experienced declining revenues and its consumer mHealth application has not yet generated revenues.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

Basis of measurement

These financial statements are stated in Canadian dollars which is the Company's functional currency and are prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

Basis of consolidation

These consolidated financial statements include the financial statements of nDatalyze Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd., a company incorporated in Alberta on July 13, 2020. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiary incorporated during the year are included in the consolidated statements of income and comprehensive income from the date of incorporation. All intercompany transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

3. Material accounting policies

Cash

Cash consists of cash held in banks denominated in both Canadian and US Dollars carried at fair value.

Share-based payments

The Company applies a fair value based method of accounting for all share-based payments. Employee and director stock options are measured at their fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based payment expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial instruments

Classification and measurement of financial instruments

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI").

Amortized cost

The Company classifies its accounts receivable and accounts payable and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

FVTPL

The Company classifies its cash as measured at FVTPL. Financial assets and liabilities classified as FVTPL are subsequently measured at fair value with changes in fair value charged immediately to the consolidated statements of income and comprehensive income.

Impairment of financial assets

The Company's accounts receivable are subject to the expected credit loss model under IFRS 9. For the accounts receivable, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company considered historical industry default rates as well as credit ratings of major customers.

The Company's accounts receivable are considered collectible within one year or less; therefore, these financial assets are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the trade and other receivable.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated to carrying amounts of the assets in the CGU on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if 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 depletion and depreciation or amortization, if no impairment loss had been recognized.

Revenue recognition

Revenue is recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

This is achieved by applying the following five steps: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Typically, revenue is recognized on shipment of product as specified by a customer's order and customer payment is reasonably assured.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Other equity instruments

Warrants and special warrants are classified as equity. Incremental costs directly attributable to the issue of warrants and special warrants are recognized as a deduction from equity, net of any tax effects.

Loss per share

Loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted per share calculations reflect the exercise or conversion of potentially dilutive securities or other contracts to issue shares at the later of the date of grant of such securities or the beginning of the period.

4. Significant accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share based payment transactions

The Company measures the cost of equity-settled share-based transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, forfeiture rate, risk-free rate and dividend yield and making assumptions about them.

Judgements

The key areas of judgment which have been made in the process of applying the Company's accounting policies:

Impairment of non-financial assets

The determination of whether indicators of impairment exist and the aggregation of assets into cash-generating units ("CGU's") based on their ability to generate independent cash flows are subject to management's judgment. The recoverable amounts used for impairment calculations require estimates of future cash flows related to the assets or CGU's and estimates of discount rates applied to these cash flows.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

The Company has made a judgment regarding vendor performance. See details note 16.

nDatalyze Corp.
Notes to the Consolidated Financial Statements
expressed in Canadian dollars

For the years ended February 29, 2024 and February 28, 2023

5. Inventory

Inventory consists of:	Feb. 29, 2024	Feb. 28, 2023
Raw Material	\$ -	\$ 21,043
Sub Assembly	-	1,333
Total	\$ -	\$ 22,376

During the year ended February 29, 2024, the Company expensed \$22,376 (February 28, 2023 - \$97,155) of inventory which is included in cost of sales.

6. Intangibles assets

	Feb. 29, 2024	Feb. 28, 2023
Intangible assets, cost	\$ 26,282	\$ 23,658
Accumulated amortization	(3,733)	(2,445)
Intangible assets, net of accumulated amortization	\$ 22,549	\$ 21,213

On February 22, 2018, the Company acquired intangible assets including Canadian and US patents, URL website address, and all intellectual rights relating to the cannabis oil extraction technology.

7. Share capital

Authorized:

Unlimited number of voting Common Shares without par value

Unlimited number of non-voting Preferred shares issuable in series without par value

Issued: Common Shares

	Number of Shares	\$
As at February 28, 2022	37,921,425	2,268,254
Shares issued	534,000	107,264
Share issue costs		(12,365)
Finders fees warrants exercised	257,000	87,895
As at February 28, 2023	38,712,425	2,451,048
Shares issued	2,315,000	277,800
Fair value attributed to warrants		(58,109)
Share issue costs		(4,800)
As at February 29, 2024	41,027,425	2,665,939

nDatalyze Corp.
Notes to the Consolidated Financial Statements
expressed in Canadian dollars

For the years ended February 29, 2024 and February 28, 2023

A private placement of 534,000 units was completed on March 21, 2022, at a price of \$0.25 per unit for gross proceeds of \$133,500. Each unit consists of one common share and one common share purchase warrant entitling the holder to acquire one common share at a price of \$0.35 per common share for a period of 12 months, subject to the accelerated expiry provision where if, on any 10 consecutive trading days occurring after September 22, 2022, the closing sales price of the common shares (or the closing bid, if no sales were reported on a trading day) as quoted on the Canadian Securities Exchange is greater than \$0.60 per common share, the Company may provide notice in writing to the holders of the warrants by issuance of a press release that the expiry date of the warrants will be accelerated to the 30th day after the date on which the Company issues such press release. The Company paid eligible finders aggregate cash finders fees of \$9,365 and issued 37,380 finders warrants to purchase common shares of the Company at a price of \$0.25 per common share for a period of 12 months with a value of \$3,000 (Note 8).

A private placement of 2,315,000 units was completed on November 9, 2023, at a price of \$0.12 per unit for gross proceeds of \$277,800. Each unit consists of one common share and one-half common share purchase warrant entitling the holder to acquire one common share at a price of \$0.25 per common share for a period of 18 months, subject to the accelerated expiry provision. The Company paid eligible finders aggregate cash finders fees of \$4,800 and issued 40,000 finders warrants to purchase common shares of the Company at a price of \$0.25 per common share for a period of 18 months with a value of \$1,048 (Note 8).

8. Warrants

Warrants	Number of warrants outstanding	Value	Exercise price	Weighted average life (in years)
As at February 28, 2022	10,633,000	706,793	\$0.34	0.13
Warrants exercised	(257,000)	(36,494)	\$0.20	-
Warrants expired unexercised	(10,376,000)	(670,299)	\$0.35	-
Warrants issued	534,000	26,236	\$0.35	0.06
Finders fees warrants issued	37,380	3,000	\$0.25	0.06
As at February 28, 2023	571,380	\$ 29,236	\$0.34	0.06
Warrants expired unexercised	(571,380)	(29,236)	\$0.05	-
Warrants issued	1,157,500	56,168	\$0.25	1.19
Finders fees warrants issued	40,000	1,941	\$0.25	1.19
As at February 29, 2024	1,197,500	\$ 58,109	\$0.25	1.19

On March 14, 2022, 257,000 finders fee warrants were exercised at a price of \$0.20 per warrant for gross proceeds of \$51,400.

On March 21, 2022, 534,000 warrants issued exercisable at a price of \$0.35 per share, expire in one year with a fair value of the \$26,236 or \$0.05 per warrant calculated using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.96%, expected life of 1 year and expected volatility of 95%.

37,380 warrants issued to finders exercisable at a price of \$0.25 per share, expire in one year with a fair value of the \$3,000 or \$0.08 per warrant calculated using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.96%, expected life of 1 year and expected volatility of 95%.

nDatalyze Corp.
Notes to the Consolidated Financial Statements
expressed in Canadian dollars

For the years ended February 29, 2024 and February 28, 2023

ii) On November 9, 2023, 1,157,500 common purchase warrant issued with each warrant entitling the holder thereof to acquire one Common Share of the Corporation at a price of \$0.25 per Common Share for 18 months, subject to acceleration in certain circumstances described in the Subscription Agreements. 40,000 finder options exercisable for a period of 18 months from the closing date of the Private Placement to acquire Common Shares at a price of \$0.25 per Common Share were issued. with a fair value of the \$58,109 or \$0.05 per warrant calculated using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 4.58%, expected life of 1.5 year and expected volatility of 139%.

9. Income taxes

The tax provision recorded in the financial statements differs from the amount computed by applying the combined Canadian federal and provincial income tax statutory rates to loss before tax as follows:

	Feb. 29, 2024	Feb. 28, 2023
Loss before tax	\$ (155,601)	\$ (1,232,103)
Statutory income tax rate (%)	23.00%	23.00%
Expected tax recovery at statutory rate	(35,788)	(283,384)
Increase (decrease) in taxes resulting from:		
Non-deductible items	1,237	699
Share based compensation	34,807	-
Deferred tax benefits recognized (not recognized)	(256)	282,685
Income tax provision	\$ -	\$ -

Details of deferred tax assets (liabilities) are as follows:

Furniture, equipment and intangibles	\$ -	\$ (67)
Non-capital losses	-	67
Total deductible temporary differences	\$ -	\$ -

The Company has not recognized a deferred tax asset in respect of the following deductible temporary differences:

Furniture, equipment and intangibles	\$ -	\$ -
Share issuance cost	78,747	73,947
Non-capital losses	2,523,402	2,524,515
Total deductible temporary differences	\$ 2,602,149	\$ 2,598,462

As at February 29, 2024, the Company has not recognized a deferred tax asset in respect of an estimated non-capital loss carry-forward balance of \$2,523,402 (2023-\$2,524,515) available to reduce future years' income for Canadian tax purposes. These losses, if not fully utilized, will begin to expire in 2041.

Deferred tax assets are recorded only to the extent that future taxable income will be available against which the deferred tax asset can be offset. Management estimates future income using forecasts based on the best available current information. Based on the current estimates, no deferred tax asset has been recorded.

The Company received \$138,737 for Scientific Research and Experimental Development (SR&ED) tax credits

from the Province of Alberta for the tax years ended December 31, 2021 and 2022.

10. Capital disclosures

The Company's capital consists of share capital.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

11. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash, accounts receivable, and account payable and accruals approximates its fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2024, the Company had a cash balance of \$794,101 to pay liabilities of \$38,260.

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Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

As at February 28, 2023, the Company has \$1,799 in cash denominated in US Dollars foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

12. Share based compensation

The Company has a stock option plan for its officers, directors, employees and consultants. The maximum number of common shares issuable under the Plan cannot exceed 10% of the Company's issued and outstanding common shares.

Stock Options	Number of options outstanding and exercisable	Weighted average exercise price	Weighted average life (in years)
As at February 28, 2023	3,150,000	\$0.25	3.00
Stock options cancelled	(2,650,000)	0.27	
Stock options issued	3,150,000	0.08	
As at February 29, 2024	3,650,000	0.09	1.60

During the year ended February 28, 2023 nil stock options were granted.

On April 27, 2023, 2,650,000 common share purchase options to directors, officers and consultants of the Corporation exercisable at a price of \$0.27 per share, with a expiration date of February 26, 2026 were cancelled.

On September 25, 2023, 3,150,000 common share purchase options were granted to directors, officers and consultants of the Corporation exercisable at a price of \$0.08 per share, with a expiration date of September 25, 2025 and vested immediately. The fair value of \$149,509 for the 3,150,000 stock options granted of \$0.05 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 4.9%, expected life of 2 years and historical volatility was used for calculation of expected volatility of 112%.

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13. Segmented information

Revenues are from one segment and are predominantly to international customers with \$29,774 for the year ended February 29, 2024 (February 28, 2023 - \$122,685).

The below table summarizes the revenues by product and geographical location for the year ended February 29, 2024:

	CO2 extraction	Alcohol based extraction	Total
Canada	\$ 60,287	\$ 6,281	\$ 66,568
United States	6,306	8,176	14,482
International	12,087	3,205	15,292
	\$ 78,680	\$ 17,662	\$ 96,342

The below table summarizes the revenues by product and geographical location for the year ended February 28, 2023:

	CO2 extraction	Alcohol based extraction	Total
Canada	\$ 37,265	\$ 11,265	\$ 48,530
United States	67,935	18,739	36,010
International	27,730	8,281	86,674
	\$ 132,930	\$ 38,285	\$ 171,215

14. Related party transactions

Key management personnel

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	February 29, 2024	February 28, 2023
Legal, audit and professional	\$ 43,727	\$ 57,185
Share based compensation	116,285	-
Total	\$ 160,012	\$ 57,185

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15. Changes in non-cash working capital

	Feb. 29, 2024	Feb. 28, 2023
Accounts receivable	\$ 10,994	\$ (52,706)
Inventory	22,376	44,780
Prepaid expenses and deposits	40,079	6,172
Accounts payable and accruals (See note 16)	(251,010)	207,854
Changes in non-cash working capital	\$ (213,561)	\$ 206,100

16. Advertising and promotion (recovery)

The Company terminated its service agreement with a significant vendor and disputed \$217,739 in unpaid invoices included in accounts payables and accruals as at February 28, 2023. During the year ended February 29, 2024 the Company recorded a \$217,739 recovery of advertising and promotion expenses on reversal of these invoices.

17. Subsequent events

Acquisition of Mindbalanced Inc. (“MB”)

On April 16, 2024 the Company acquired MB of Florida, USA. MB, operating in multiple US States, is revolutionizing mental healthcare through its integrative and individualized approach. Utilizing advanced AI and biometric data analysis, MB delivers highly-informed insights into mental health conditions, facilitating personalized treatment plans designed to enhance patient outcomes.

The nominal maximum purchase price is CAD\$3,750,000 payable through Conditional Share Issuances (“CSI”) based on performance-based milestones as set out below. At acquisition MB has no material assets and no debt. Finders fee of 400,000 shares paid on Closing and 300,000 finders fee shares contingent upon MB’s achieving CAD\$1,000,000 of gross revenue from MB operations within one year after the Closing

Salient Performance Milestones include:

- a) upon achieving CAD\$1,000,000 of gross revenue from MB operations and within one year after the Closing, MB nominees will receive either 4,000,000 shares or 6,000,000 shares if met within the first six months;
- b) upon achieving CAD\$2,500,000 of gross revenues from MB operations within two years after Closing, MB nominees will receive either 6,000,000 shares or 9,000,000 shares if met within the first twelve months.

As the transaction is performance-driven, the number of shares issued pursuant to the CSIs will be between zero and 15,000,000 depending on MB performance.

Private Placement

On April 18, 2024 the Company closed an arm’s-length private placement of 1,000,000 common shares at US\$0.15 per Share (US\$150,000), CAD\$206,250 CAD\$0.21 per Share. A 6% finders fee of US\$9,000 was paid. Shares are subject to a minimum four month hold period.