AWAKN LIFE SCIENCES CORP.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2024 AND 2023
(Expressed in Canadian Dollars, unless otherwise noted)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AWAKN LIFE SCIENCES CORP.
Condensed Consolidated Interim Statements of Financial Position
As at
(Unaudited, expressed in Canadian dollars)

	Note	April 30, 2024 $	January 31, 2024 $
Assets			
Current assets			
Cash		**120,729**	407,301
Prepayments and deposits		**20,729**	68,467
Accounts receivable		**10,600**	6,746
Other receivables		**23,784**	13,862
Total current assets		**175,842**	496,376
Non-current assets			
Property and equipment	**4**	**279**	637
Intangible assets	**5**	**41,928**	46,333
Total Assets		**218,049**	543,346
Liabilities			
Accounts payable and accrued liabilities	**11**	**2,031,945**	2,066,217
Deferred revenue		**9,642**	7,418
Total current liabilities		**2,041,587**	2,073,635
Total Liabilities		**2,041,587**	2,073,635
Shareholders' Deficiency			
Share capital	**7**	**22,378,827**	22,219,422
Contributed surplus	**7**	**7,566,482**	7,493,345
Accumulated other comprehensive income		**(258,917)**	(277,941)
Accumulated deficit		**(31,509,930)**	(30,965,115)
Total Shareholders' Deficiency		**(1,823,528)**	(1,530,289)
Total Liabilities and Shareholders' Deficiency		**218,049**	543,346

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

Going concern (note 1)
Commitments and contingencies (note 14)
Subsequent events (note 16)
Approved and authorized for issue by the Board of Directors on June 28, 2024.

"George Scorsis"	*"Steve Page"*
Director	Director

AWAKN LIFE SCIENCES CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended April 30, 2024 and 2023
(Unaudited, expressed in Canadian dollars)

	Note	**Three months ended April 30, 2024 $**	Three months ended April 30, 2023 $
Revenue			
Service revenue		**20,679**	11,993
Total revenue		**20,679**	11,993
Operating expenses			
Research and development		**87,453**	147,974
General and administration		**341,185**	603,810
Sales and marketing		**74,596**	123,338
Share-based compensation	**7,11,14**	**36,890**	79,505
Depreciation and amortization	**4,5,6**	**4,763**	3,611
Total operating expenses		**544,887**	958,238
Other expense (income)			
Other income		**(2,394)**	545
Finance costs (income)	**9**	**-**	(66,327)
Foreign exchange loss (gain)		**23,001**	(323,445)
Loss from operations before income taxes		**(544,815)**	(557,018)
Income tax expense - current		**-**	-
Income tax expense - deferred		**-**	-
Loss from continuing operations		**(544,815)**	(557,018)
Loss after tax from discontinued operations	**8**	**-**	(1,123,141)
Net loss		**(544,815)**	(1,680,159)
Other comprehensive income (loss)			
Foreign exchange translation adjustment		**19,024**	(238,779)
Comprehensive loss		**(525,791)**	(1,918,938)
Net loss from continuing operations attributable to:			
Shareholders		**(544,815)**	(557,018)
Non-controlling interests		**-**	-
		(544,815)	(557,018)
Net loss from discontinuing operations attributable to:			
Shareholders		**-**	(1,031,966)
Non-controlling interests		**-**	(91,175)
		-	(1,123,141)
Comprehensive loss attributable to:			
Shareholders		**(525,791)**	(1,827,763)
Non-controlling interests		**-**	(91,175)
		(525,791)	(1,918,938)
Net loss per share:			
Net loss attributable to common shares ($) - continuing operations		**(544,815)**	(557,018)
Basic and diluted loss per share - continuing operations	**10**	**(0.01)**	(0.02)
Net loss attributable to common shares ($) - discontinued operations		**-**	(1,123,141)
Basic and diluted loss per share - discontinued operations	**10**	**-**	(0.04)
Weighted average number of shares outstanding – basic and diluted	**10**	**39,267,387**	27,065,358

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

AWAKN LIFE SCIENCES CORP.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the three months ended April 30, 2024 and 2023
(Unaudited, expressed in Canadian dollars)

	Note	Number of Shares	Share Capital $	Contributed Surplus $	Accumulated Other Comprehensive (Loss) Income $	Accumulated Deficit $	Total $	Non-Controlling Interest $	Total $
Balance, February 1, 2023		32,476,187	20,007,433	6,896,640	(102,749)	(25,953,586)	847,738	(897,480)	**(49,742)**
Issuance of common shares and warrants, net of issuance costs	**7**	2,392,948	775,534	305,561	-	-	1,081,095	-	**1,081,095**
Shares issued as contingent consideration	**7**	100,000	44,000	-	-	-	44,000	-	**44,000**
Shares issued for milestone payments	**5**	70,000	23,100	-	-	-	23,100	-	**23,100**
Share-based compensation	**7**	-	-	79,505	-	-	79,505	-	**79,505**
Net loss from continuing operations		-	-	-	-	(557,018)	(557,018)	-	**(557,018)**
Net loss from discontinued operations	**8**	-	-	-	-	(1,031,966)	(1,031,966)	(91,175)	**(1,123,141)**
Other comprehensive loss		-	-	-	(238,779)	-	(238,779)	-	**(238,779)**
Change in ownership of Bristol		-	-	(988,655)	-	-	(988,655)	988,655	-
Balance, April 30, 2023		**35,039,135**	**20,850,067**	**6,293,051**	**(341,528)**	**(27,542,570)**	**(740,980)**	**-**	**(740,980)**
Balance, February 1, 2023		39,091,197	22,219,422	7,493,345	(277,941)	(30,965,115)	(1,530,289)	-	**(1,530,289)**
Issuance of common shares and warrants, net of issuance costs	**7**	428,571	159,405	36,247	-	-	195,652	-	**195,652**
Share-based compensation	**7**	-	-	36,890	-	-	36,890	-	**36,890**
Net loss for the period		-	-	-	-	(544,815)	(544,815)	-	**(544,815)**
Other comprehensive loss		-	-	-	19,024	-	19,024	-	**19,024**
Balance, April 30, 2024		**39,519,768**	**22,378,827**	**7,566,482**	**(258,917)**	**(31,509,930)**	**(1,823,538)**	**-**	**(1,823,538)**

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

AWAKN LIFE SCIENCES CORP.
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended April 30, 2024 and 2023
(Unaudited, expressed in Canadian dollars)

	Note	**Three months ended April 30, 2024 $**	Three months ended April 30, 2023 $
CASH FLOW USED IN OPERATING ACTIVITIES			
Net loss for the period		**(544,815)**	(1,680,159)
Net loss from discontinued operations		**-**	(1,123,141)
Loss from continuing operations		**(544,815)**	(557,018)
Items not affecting cash:			
Share-based compensation	**7**	**36,890**	79,505
Depreciation and amortization	**4,5,6**	**4,763**	3,587
Changes in non-cash working capital items:			
Decrease in prepayments and deposits		**47,738**	79,134
Increase in accounts receivable		**(3,854)**	(13,540)
Increase in other receivables		**(9,922)**	(21,950)
(Decrease) increase in accounts payable and accrued liabilities		**(34,272)**	46,066
Increase in deferred revenue		**2,224**	22,957
Cash flow (used in) from operating activities from continuing operations		**(501,248)**	(361,259)
Cash flow (used in) from operating activities from discontinued operations		**-**	(391,937)
CASH FLOW USED IN INVESTING ACTIVITIES			
Cash flow used in investing activities from continuing operations		**-**	-
Cash flow used in investing activities from discontinued operations		**-**	(70,268)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of common shares, net	**7**	**195,652**	1,081,095
Cash flow from financing activities from continuing operations		**195,652**	1,081,095
Cash flow (used in) from financing activities from discontinued operations		**-**	(111,893)
Effect of exchange rate changes		**19,024**	(306,908)
Increase (decrease) in cash		**(305,596)**	145,738
Cash, beginning of period		**407,301**	550,866
Cash, end of period		**120,729**	389,696
Non-cash transactions			
Shares issued for intangible asset	**5**	**-**	23,100
Shares issued for contingent consideration	**7**	**-**	44,000
Additions to right of use assets	**6**	**-**	195,255

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

1. Nature of the business and going concern

Awakn Life Sciences Corp. (the "Company") was incorporated under the *Business Corporations Act (British Columbia)* on June 21, 2018. The common shares of the Company are traded on the Canadian Securities Exchange (the "CSE") under the stock symbol "AWKN". The Company's head office and registered office is located at 301-217 Queen Street W., Toronto, ON, M5V 0R2.

On June 16, 2021, the Company completed a reverse takeover transaction with Awakn Life Sciences Inc. ("Awakn Inc.") (the "Transaction"), a company incorporated under the Business Corporations Act (Ontario) on April 27, 2020. Awakn Inc. is a clinical stage biotechnology company developing therapeutics targeting addiction. The Transaction constituted a reverse takeover of the Company by Awakn Inc. for accounting purposes and the business of the amalgamated entities became the business of the Company.

As at April 30, 2024 and for the three months ended April 30, 2024, the Company had not yet achieved profitable operations, has accumulated losses of $31,509,930 since its inception and expects to incur further losses in the development of its business, has negative cash flows from operating activities, and a working capital deficit, all of which indicate that a material uncertainty exists that may cast 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 upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has been successful in raising funds from the issuance of shares, convertible debentures and debt financing. Therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however there is no certainty this will occur in the future at terms acceptable to the Company.

2. Basis of Presentation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements of the Company for the three months ended April 30, 2024, and 2023 have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements meet the requirements of International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at January 31, 2024.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on June 28, 2024.

2. Basis of Presentation (continued)

(b) Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the contingent consideration which has been recorded at fair value. The comparative figures in the condensed consolidated statements of loss and comprehensive loss, condensed consolidated interim statements of changes in shareholders' deficiency, and the condensed consolidated interim statements of cash flows have been reclassified to conform with the current period as a result of the disposition of subsidiaries and disclosure of discontinued operations for presentation purposes (Note 8).

(c) Principles of consolidation

The Company consolidates its interest in entities which it controls. Control is defined by the power to govern an entity's financial and operating policies to be able to obtain benefits from its activities. All intercompany balances and transactions have been eliminated on consolidation. The subsidiaries (the "Subsidiaries") of the Company that have been consolidated are as follows:

Name of entity	Principal place of business	%	Functional currency
Awakn Life Sciences Inc.	Canada	100%	Canadian dollar
1233705 B.C. Ltd.	Canada	100%	Canadian dollar
Awakn Bristol Limited	United Kingdom	100%*	British pound
Awakn Life Sciences UK Ltd	United Kingdom	100%*	British pound
Awakn London Limited	United Kingdom	100%*	British pound
Awakn Manchester Limited	United Kingdom	100%*	British pound
Awakn LS Europe Holdings Limited	Ireland	100%	Euro
Awakn LS Partnerships Limited	Ireland	100%	Euro
Awakn Norway AS (formerly Oslo AS)	Norway	100%*	Norwegian krone

**On March 26, 2023, the Company acquired 100% control of Awakn Bristol Limited. Prior to March 26, 2023, the Company had 51% control of Awakn Bristol Limited. During the year ended January 31, 2024, the Company completed the sale of Awakn London Limited and Awakn Norway AS, dissolved Awakn Manchester Limited, and put Awakn Bristol Limited and Awakn Life Sciences UK Ltd. into liquidation (together, defined as the "Former Subsidiaries").*

(d) Functional and presentation currency

For financial reporting purposes, these unaudited condensed consolidated interim financial statements of the Company have been presented in Canadian dollars, the presentation currency. The financial statements of the entities are translated from their functional currency into the reporting currency as follows: assets and liabilities are translated at the exchange rates at the period end date, revenue, expenses and other income (expense) are translated at the average exchange rate for the period and shareholders' equity is translated based on historical exchange rates. Translation adjustments are not included in determining net loss but are included as a foreign exchange translation adjustment to other comprehensive income, a component of shareholders' equity.

2. Basis of Presentation (continued)

(e) Use of estimates and judgements

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates and assumptions related to the following:

Leases – Estimating the incremental borrowing rate and renewals

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow a similar amount at a similar term with a similar security. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The Company also makes certain assumptions whether it expects to exercise any renewal options on the leases.

Fair value of share-based payments, warrants, and derivative financial instruments

Management uses the Black-Scholes option-pricing model to calculate the fair value of share-based payments, warrants and any identified derivative liabilities, including the conversion feature and any embedded warrants that do not meet the "fixed for fixed" criteria. Management considers factors that knowledgeable, willing market participants would consider when selecting the appropriate valuation model to apply. Use of this method requires assumptions and estimates about the share price on the measurement date, expected life of the instruments, expected dividends, the risk-free rate (based on government bonds), the expected volatility of the Company's share price (based on weighted average historical volatility of comparable companies adjusted for changes expected due to publicly available information) and the probabilities of certain events occurring. In making these assumptions and estimates, management relies on historical market data. The inputs to the model are subject to estimate and changes in these inputs can materially impact the estimated fair value of these instruments. The fair value reported may not represent the transaction value if these options/warrants/derivatives were exercised/exchanged at any point in time.

Estimated useful lives, impairment considerations, depreciation of property and equipment and amortization of intangible assets

Judgment is applied to determine an asset's useful life, and where applicable, estimated residual value, used in the computation of depreciation and amortization. Accordingly, an asset's actual useful life and estimated residual value may differ significantly from these estimates. Goodwill and indefinite life intangible asset impairment testing require management to make estimates in the impairment testing model. At minimum, on an annual basis, the Company tests whether goodwill and indefinite life intangible assets are impaired. Impairment is influenced by judgment in defining a cash generating unit ("CGU") and determining the indicators of impairment, and estimates used to measure impairment losses. The recoverable value of goodwill, indefinite and definite long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding projected future cash flows and capital investment, growth rates and discount rates.

2. Basis of Presentation (continued)

(e) Use of estimates and judgements (continued)

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. The determination of the fair value of identifiable intangible assets, in particular, requires the use of significant estimates and assumptions such as estimated growth rates, margins and discount rates.

Deferred taxes

Significant estimates are required in determining the Company's income tax provision. Some estimates are based on interpretations of existing tax laws or regulations. Various internal and external factors may have favourable or unfavourable effects on the Company's future effective tax rate. These include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, and results of tax audits by tax authorities.

Assets held for sale and discontinued operations

The Company classifies assets and liabilities as held for sale in accordance with *IFRS 5, Non-current assets held for sale and discontinued operations*. Management is required to use judgement in assessing whether certain criteria under IFRS 5 are met, including whether a sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. The assets or disposal groups are measured at the lower of their carrying amount and estimated fair value less costs of disposal, which Management determines based on market factors.

The Company considers its disposal groups as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to re-sell

Loss from discontinued operations is excluded from net loss from continuing operations and are presented as a single amount under "loss from discontinued operations" account in the consolidated statement of loss and comprehensive loss.

Expected credit loss (ECL)

The Company's accounts receivable is measured at amortized cost and subject to the expected credit loss ("ECL") model. In determining the ECLs management makes estimates related to the probability-weighted amount of ECLs based on a range of outcomes, the discount rate that reflects the effective interest rate of the asset and other information available as of the reporting date relating to past events, current conditions and forecasts regarding future economic conditions.

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

3. Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the year ended January 31, 2024.

Standards issued and adopted

During the three months ended April 30, 2024, the Company adopted certain IFRS amendments. The application of these amendments had no significant impact on the Company's financial position or results of operations. As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the nature of these changes is disclosed below:

IAS 1, Presentation of financial statements ("IAS 1")

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

IFRS 16 – Leases ("IFRS 16")

In September 2022, the IASB issued amendments to IFRS 16, Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the unaudited condensed consolidated interim financial statements.

4. Property and Equipment

Property and equipment as at April 30, 2024 and January 31, 2024 consists of the following:

	Computer equipment and Furniture and fixtures	**Total**
	$	**$**
Cost		
Balance, February 1, 2023	**254,041**	**1,932,902**
Additions	81,142	81,142
Disposals	(337,642)	(2,082,045)
Exchange realignment	6,787	72,329
Balance, January 31, 2024	**4,328**	**4,328**
Exchange realignment	20	20
Balance, April 30, 2024	**4,348**	**4,348**

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

4. Property and Equipment (continued)

	Computer equipment and Furniture and fixtures	Total
	$	$
Accumulated depreciation		
Balance, February 1, 2023	**64,303**	**442,597**
Depreciation	1,444	1,444
Disposals	(62,533)	(448,637)
Exchange realignment	477	8,287
Balance, January 31, 2024	**3,691**	**3,691**
Depreciation	362	362
Exchange realignment	16	16
Balance, April 30, 2024	**4,069**	**4,609**
Net book value		
At January 31, 2024	637	637
At April 30, 2024	**279**	**279**

Depreciation expense related to property and equipment was $362 for the three months ended April 30, 2024 (2023 - $111,622).

In connection with the disposition of the Former Subsidiaries (Note 8) during the year ended January 31, 2024, the Company disposed of property and equipment with a carrying value of $1,439,733.

5. Intangible Assets

	IP Assets
	$
Cost	
Balance, February 1, 2023	**81,500**
Additions	6,600
Balance, January 31, 2024 and April 30, 2024	**88,100**
Accumulated amortization	
Balance, February 1, 2023	**24,917**
Amortization	16,850
Balance, January 31, 2024	**41,767**
Amortization	4,405
Balance, April 30, 2024	**46,172**
Net book value	
At January 31, 2024	46,333
At April 30, 2024	**41,928**

On March 8, 2021, the Company completed the acquisition of proprietary research data on next generation candidate 3-4 methylenedioxymethamphetamine ("MDMA") and Ketamine molecules from Prof. David Nutt's Equasy Enterprises Ltd. for an aggregate purchase price of $60,000, payable by the issuance of 50,000 common shares of the Company at a deemed price of $1.20 per share. If a patent is filed in the name of the Company

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

5. Intangible Assets (continued)

for a next generation molecule that is created using the IP assets acquired, the Company shall issue the vendor an additional 50,000 common shares at a deemed price of $1.20 per share. Subsequently, Awakn signed an amendment to the agreement with Equasy Enterprises Ltd., under which it agreed to issue Equasy Enterprises Ltd. up to an additional 280,000 shares upon the successful completion of certain development and regulatory milestones.

During the year ended January 31, 2023, patents were filed using the IP assets acquired as mentioned above and subsequently, the Company capitalized $16,500 as additions to intangible assets, valued at 50,000 shares priced at $0.33 per share, payable to Equasy Enterprises Ltd. This amount was accrued for as of January 31, 2023.

During the year ended January 31, 2024, the Company issued 70,000 common shares with a price of $0.33 per common share, to Equasy Enterprises Ltd., with a total value of $23,100, consisting of 50,000 shares accrued for as at January 31, 2023, and an additional 20,000 shares with a value of $6,600 (Note 7).

Total additions to intangible assets during the year ended January 31, 2024, was $6,600, which related to the IP assets acquired from Equasy Enterprises Ltd. As the share-based payments are equity-settled, the Company recognized a corresponding increase in equity, and no re-measurement of the fair value will occur regardless of whether the milestones are achieved. The share-based milestone payments will be recognized at the time the related activity is likely to have all conditions met as well as the likelihood of issuance of shares.

6. Right-of-Use Assets and Lease Liabilities

Right-of-use assets

In connection with the disposition of the Former Subsidiaries (Note 8) during the year ended January 31, 2024; the Company disposed of right-of-use assets with a carrying value of $1,712,887 and lease liabilities of $1,741,962.

The right-of-use assets consist of the following as at April 30, 2024 and January 31, 2024:

Cost	**$**
Balance, February 1, 2023	1,819,060
Additions	200,286
Disposals	(2,073,360)
Exchange realignment	54,014
Balance, January 31, 2024 and April 30, 2024	-
Accumulated depreciation	
Balance, February 1, 2023	356,540
Depreciation	-
Disposals	(360,473)
Exchange realignment	3,933
Balance, January 31, 2024 and April 30, 2024	-
Net book value	
At January 31, 2024	**-**
At April 30, 2024	**-**

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

6. Right-of-Use Assets and Lease Liabilities (continued)

Lease liabilities

Lease liabilities consist of the following as at April 30, 2024 and January 31, 2024:

	$
Balance, February 1, 2023	1,615,216
Additions	195,255
Payments	(199,968)
Interest expense	102,040
Disposals	(1,741,962)
Exchange realignment	29,419
Balance, January 31, 2024 and April 30, 2024	**-**

IBRs ranging from 12.0% to 20.14% were used to determine the present value of the lease liabilities. Interest expense on lease liabilities for three months ended April 30, 2024 was $Nil (2023 - $255,753).

7. Shareholders' Equity

Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at April 30, 2024, there were no shares issued and outstanding other than common shares.

		Number of shares	Amount $
Balance, February 1, 2023		32,476,187	20,007,433
Issuance of common shares and warrants, net of issuance cost	(1)	2,392,948	775,534
Issuance of common shares as contingent consideration	(2)	100,000	44,000
Issuance of common shares for milestone payments	(3)	70,000	23,100
Issuance of common shares and warrants, net of issuance cost	(4)	1,442,856	435,341
Issuance of common shares for debt	(4)	441,348	203,020
Issuance of common shares and warrants, net of issuance cost	(5)	1,542,858	486,812
Issuance of common shares for debt	(5)	125,000	57,500
Issuance of common shares and warrants, net of issuance cost	(6)	500,000	186,682
Balance, January 31, 2024		39,091,197	22,219,422
Issuance of common shares and warrants, net of issuance cost	(7)	142,857	55,592
Issuance of common shares and warrants, net of issuance cost	(8)	285,714	103,813
Balance, April 30, 2024		**39,519,768**	**22,378,827**

Year ended January 31, 2024

1) On April 25, 2023, the Company closed the first tranche of a non-brokered private placement financing by issuing 2,392,948 units at a price of $0.46 per unit for gross proceeds of $1,100,756. Each unit is comprised of one common share in the capital of the Company and three quarters of one whole common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.63 per common share for a period of five years from the date of issuance. The Company recorded a total warrant reserve of $311,118. The Company incurred cash costs of $19,661 related to the completion of the private placement, of which $14,104 was allocated to share capital and $5,557 was allocated to the total warrant reserve.

7. Shareholders' Equity (continued)

2) On March 1, 2023, the Company issued 100,000 common shares at a price of $0.44 per common share as per agreement, to the former shareholders of Awakn Norway AS pursuant to the earnout and the opening of a new clinic in Trondheim.

3) On April 11, 2023, the Company issued 70,000 common shares pursuant to the filing of the patent applications for its research program with Equasy Enterprises Ltd at a price of $0.33 per common share (Note 5).

4) On June 14, 2023, the Company closed the second tranche of a non-brokered private placement financing previously announced on April 25, 2023, by issuing 1,884,204 units at a price of $0.46 per unit for gross proceeds of $866,734. This amount includes 441,348 units related to shares issued for debt settlements for total amount of $203,020. Each unit is comprised of one common share in the capital of the Company and three quarters of one whole common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.63 per common share for a period of five years from the date of issuance. The Company recorded a total warrant reserve of $210,559. The Company incurred cash costs of $23,531 related to the completion of the private placement, of which $17,814 was allocated to share capital and $5,716 was allocated to the total warrant reserve.

5) On September 14, 2023, the Company closed the third tranche of a non-brokered private placement financing previously announced on April 25, 2023, by issuing 1,667,858 units at a price of $0.46 per unit for gross proceeds of $767,215. This amount includes 125,000 units related to shares issued for debt settlements for total amount of $57,500. The Company recorded a total warrant reserve of $221,124. The Company incurred share issuance costs of $2,500 related to the completion of the private placement, of which $1,779 was allocated to share capital and $721 was allocated to the total warrant reserve.

6) On December 15, 2023, the Company closed the fourth tranche of a non-brokered private placement financing previously announced on April 25, 2023, by issuing 500,000 units at a price of $0.46 per unit for gross proceeds of $230,000. The Company recorded a total warrant reserve of $41,284. The Company incurred share issuance costs of $2,479 related to the completion of the private placement, of which $2,034 was allocated to share capital and $445 was allocated to the total warrant reserve.

For the three months ended April 30, 2024

7) On February 5, 2024, the Company closed the fifth tranche of a non-brokered private placement financing previously announced on April 25, 2023, by issuing 142,857 Units for gross proceeds of $65,714. Each unit is comprised of one common share in the capital of the Company and three quarters of one whole common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.63 per common share for a period of five years from the date of issuance. The Company recorded a total warrant reserve of $9,698. The Company incurred share issuance costs of $497 related to the completion of the private placement, of which $424 was allocated to share capital and $73 was allocated to the total warrant reserve.

8) On April 17, 2024, the Company closed a first tranche of a non-brokered private placement through the issuance of 285,714 units at a price of $0.46 per unit for gross proceeds of $131,428. The Company recorded a total warrant reserve of $26,825. The Company incurred share issuance costs of $993 related to the completion of the private placement, of which $790 was allocated to share capital and $203 was allocated to the total warrant reserve.

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

7. Shareholders' Equity (continued)

Stock options

The Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company and its subsidiaries, not exceeding 10% of the issued and outstanding common shares of the Company. Stock options granted are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. Options shall vest in the manner imposed by the Board of Directors as a condition at the grant date. The following table summarizes the Company's stock option activity for the period indicated:

	Number of options	**Weighted average exercise price ($)**
Balance, February 1, 2023	3,021,746	0.95
Expired	(965,000)	0.70
Balance, January 31, 2024	2,056,746	1.03
Expired	(11,918)	2.20
Balance, April 30, 2024	**2,044,828**	**1.02**

During the three months ended April 30, 2024, and 2023, there were no options granted. During the three months ended April 30, 2024, 11,918 options expired (2023 – Nil).

The share-based compensation and charge to share-based reserve relating to the vesting of stock options for the three months ended April 30, 2024, was $20,574 (2023 - $79,505).

The following table presents information related to stock options outstanding as at April 30, 2024:

Grant date	**Exercise price ($)**	**Weighted average remaining life (yrs)**	**Number of options outstanding**	**Number of options exercisable**
May 6, 2020	0.075	1.02	40,000	40,000
January 31, 2021	0.300	1.76	30,000	30,000
March 8, 2021	1.200	1.85	510,000	510,000
April 12, 2021	1.200	1.95	200,000	180,000
July 5, 2021	2.500	0.18	15,000	15,000
July 19, 2021	2.500	0.22	30,000	30,000
September 14, 2021	2.500	2.38	20,000	15,000
September 17, 2021	2.500	2.38	100,000	100,000
October 4, 2021	2.500	2.43	75,000	56,250
December 13, 2021	2.900	2.62	24,828	24,828
December 12, 2022	0.550	3.62	1,000,000	666,667
		2.73	**2,044,828**	**1,667,745**

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

7. Shareholders' Equity (continued)

Warrants

The following table summarizes the Company's warrants activity for the periods indicated:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 1, 2023	9,049,330	1.09
Issued	7,533,693	0.63
Expired	(1,822,785)	1.85
Balance, January 31, 2024	14,760,238	0.76
Issued	321,429	0.63
Expired	(1,015,625)	2.20
Balance, April 30, 2024	**14,066,042**	**0.65**

The following table presents information related to warrants outstanding as at April 30, 2024:

Issue Date		Weighted Average Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
September 14, 2022	(1)	0.68	0.40	1,880,454
September 14, 2022	(2)	0.68	0.40	53,200
October 24, 2022	(3)	0.68	0.48	600,000
November 16, 2022	(4)	0.68	0.55	3,395,902
November 16, 2022	(5)	0.68	0.55	281,364
April 25, 2023	(6)	0.63	3.99	1,794,644
June 9, 2023	(7)	0.63	4.11	2,700,000
June 14, 2023	(8)	0.63	4.13	1,413,153
September 14, 2023	(9)	0.63	4.38	1,250,896
December 15, 2023	(10)	0.63	4.63	375,000
February 5, 2024	(11)	0.63	4.77	107,143
April 17, 2024	(12)	0.63	4.97	214,286
		0.65	**2.44**	**14,066,042**

1) On September 14, 2022, 1,880,454 warrants of the Company were issued as part of a private placement with an exercise price of $0.68 per common share, exercisable until September 14, 2024. The $522,313 fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life – 2 years; annualized volatility – 98.14%; risk-free interest rate - 3.71%; dividend rate - 0%; and stock price - $0.57. Share issuance costs of $40,424 was allocated to the warrants.

2) On September 14, 2022, 53,200 finder warrants of the Company were issued as part of a private placement with an exercise price of $0.68 per common share, exercisable until September 14, 2024. The $14,780 fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life – 2 years; annualized volatility – 98.14%; risk-free interest rate - 3.71%; dividend rate - 0%; and stock price - $0.57. Share issuance costs of $1,143 was allocated to the finder warrants.

3) On October 24, 2022, 600,000 warrants of the Company were issued as part of the debt financing agreement (Note 9) with an exercise price of $0.68 per common share, exercisable until October 24, 2024. The $99,170 value of the warrants was calculated as the residual amount after deducting the fair value of the debt from gross proceeds. Total debt issuance costs were $17,989, of which $2,282 was allocated to warrants and $15,707 was allocated to the debt portion.

7. Shareholders' Equity (continued)

Warrants (continued)

4) On November 16, 2022, 3,395,902 warrants of the Company were issued as part of a private placement with an exercise price of $0.68 per common share, exercisable until November 16, 2024. The $752,239 fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 2 years; annualized volatility – 125.18%; risk-free interest rate - 3.78%; dividend rate - 0%; and stock price - $0.41. Share issuance costs of $33,411 was allocated to the warrants.

5) On November 16, 2022, 281,364 warrants of the Company were issued in connection with the shares for debt transaction, with an exercise price of $0.68 per common share, exercisable until November 16, 2024. The $65,119 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 2 years; annualized volatility – 125.18%; risk-free interest rate - 3.78%; dividend rate - 0%; and stock price - $0.41.

6) On April 25, 2023, 1,794,644 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until April 25, 2028. The $311,118 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 2 years; annualized volatility – 124.21%; risk-free interest rate – 2.92%; dividend rate - 0%; and stock price - $0.23.

7) On June 9, 2023, the Company issued 2,700,000 warrants to a consultant of the Company, with an exercise price of $0.63 per common share until June 9, 2028. The $506,775 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 124.59%; risk-free interest rate – 3.68%; dividend rate - 0%; and stock price - $0.25.

8) On June 14, 2023, 1,413,153 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until June 14, 2028. The $210,559 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 124.59%; risk-free interest rate – 3.72%; dividend rate - 0%; and stock price - $0.20.

9) On September 14, 2023, 1,250,896 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until September 14, 2028. The $221,124 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 110.56%; risk-free interest rate – 3.06%; dividend rate - 0%; and stock price - $0.26.

10) On December 15, 2023, 375,000 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until December 15, 2028. The $41,284 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 147.88%; risk-free interest rate – 3.24%; dividend rate - 0%; and stock price - $0.14.

11) On February 5, 2024, 107,143 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until February 5, 2029. The $9,698 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 144,04%; risk-free interest rate – 3.60%; dividend rate - 0%; and stock price - $0.12.

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

7. Shareholders' Equity (continued)

Warrants (continued)

12) On April 17, 2024, 214,286 warrants of the Company were issued as part of a private placement, with an exercise price of $0.63 per common share, exercisable until April 17, 2029. The $26,825 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 142.98%; risk-free interest rate – 3.73%; dividend rate - 0%; and stock price - $0.16.

8. Discontinued Operations

During the year ended January 31, 2024, as the Company had limited financial resources available, the Company determined that it would focus its resources on its research and development, hence would be exiting its clinic business. On July 4, 2023, the Company completed the sale of Awakn London Limited and on July 31, 2023, the Company completed the sale of Awakn Norway AS. The Company also liquidated its subsidiaries in Awakn Bristol and Awakn UK on July 14, 2023 and July 6, 2023, respectively.

In connection with the disposition of the Former Subsidiaries, the Company recognized a gain on disposal as follows:

	$
Net assets disposed (net of intercompany) (1)	143,904
Sale consideration(2)	(368,318)
Gain on disposal of assets	(224,414)

(1) In connection with the sale of Awakn Norway, the Company no longer has any future commitments or obligations related to the Loan Payable (Note 9).
(2) As part of the consideration, each of Awakn London Limited and Awakn Norway AS become licensing partners of the Company resulting in certain revenue shares. The Company has not accrued any value related to these revenue shares.

The sale of the Former Subsidiaries meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The Former Subsidiaries were not previously classified as held-for-sale or as a discontinued operation. The consolidated statements of comprehensive loss have been restated to show the discontinued operation separately from continuing operations.

Analysis of the result of discontinued operations is as follows:

	For the three months ended April 30, 2024	For the three months ended April 30, 2023
Revenue	-	498,771
Research and development	-	(71,126)
General and administration	-	(221,032)
Sales and marketing	-	(101,256)
Change in contingent consideration	-	14,306
Depreciation and amortization	-	(167,581)
Service costs	-	(940,684)
Finance costs	-	(134,539)
	-	(1,123,141)

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

9. Loans Payable

On October 24, 2022, Awakn Norway AS (“Awakn Norway”) entered into a debt financing agreement (the "Loan Agreement") with TD Veen (the "Lender"). The amount borrowed under this Loan Agreement is for the purpose of financing the expansion of two clinics in Norway, including without limitation funding of cash deposits under its lease agreements. Pursuant to the Loan Agreement, the Lender advanced $781,800 (NOK 6,000,000) bearing interest at a rate of 9% per annum, which is secured against Awakn Norway’s assets. The Lender is entitled to receive royalty payments of 2.5% of Awakn Norway’s revenues for a five-year period and warrants to purchase up to 600,000 common shares of Awakn at an exercise price of $0.68 per share for a period of two years (Note 7). All amounts outstanding under this Loan Agreement are required to be paid in full on the maturity date, which is two years after the disbursement date of October 24, 2022.

The fair value of the debt was calculated as $682,630, with the residual amount of $99,170 allocated to the 600,000 warrants issued in connection with the debt financing agreement. The effective interest rate used to calculate the debt is consistent with the estimated market rate as the interest on the debt without warrants on the date of issuance. Total debt issuance costs were $17,989, of which $2,282 was allocated to warrants, $15,707 was allocated to the debt portion. In connection with the sale of Awakn Norway (Note 8), the loans payable balance $705,714 was disposed of as of the date of sale.

The first royalty payment was based on the aggregate amount of revenues earned in the period from October 24, 2022, to the date of disposition (the "First Royalty Period"). The accrued royalty payment balance of $15,750 was disposed of in connection with the sale of the Oslo Awakn (Note 8).

10. Loss per Share

Basic and diluted net loss per share attributable to common shareholders is determined as follows:

	Three months ended April 30, 2024 $	Three months ended April 30, 2023 $
Numerator:		
Net loss attributable to shareholders - basic and diluted continuing operations	**(544,815)**	(557,018)
Net loss attributable to shareholders - basic and diluted discontinued operations	**-**	(1,031,966)
Denominator:		
Weighted-average number of common shares	**39,267,387**	27,065,358

The Company’s potentially dilutive securities which include stock options, warrants, DSUs and RSUs granted have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common shareholders is the same.

11. Related Party Transactions

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company’s senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. During the periods ended April 30, 2024, and 2023, the Company had the following related party transactions:

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

11. Related Party Transactions (continued)

(a) Key management includes directors and officers of the Company. Compensation awarded to key management was comprised of the following for the periods:

	Three months ended April 30, 2024	Three months ended April 30, 2023
Short-term compensation	**$ 188,600**	$ 338,892
Share-based payments	**31,517**	70,774
Total	**$ 220,117**	$ 409,666

(b) As at April 30, 2024, a balance of $234,324 (January 31, 2024 - $343,127) was due to directors and officers of the Company, which was included in accounts payable and accrued liabilities on the condensed consolidated interim statements of financial position. The balance was non-interest bearing, unsecured and repayable on demand.

12. Segment Reporting

Management monitors the results of the Company's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. For management purposes, the Company is organized into business units based on the nature of operations and has three reportable segments, as follows:

- The development segment, which focuses on researching and developing next-generation psychedelic drugs and therapies, ketamine-assisted psychotherapy and MDMA-assisted psychotherapy to treat substance and behavioral addictions.
- The delivery segment, which includes a chain of medical psychedelic clinics across Europe and through licensing partners; and
- The corporate segment, which comprises corporate income and expense items.

In determining the Company's geographical information, the non-current assets information is based on the locations of the assets.

	Development (R&D) $	**Delivery (Services) $**	**Corporate $**	**Total $**
For the three months ended April 30, 2024				
Revenue	**-**	**20,679**	**-**	**20,679**
Net loss from continuing operations	**41,342**	**965**	**502,508**	**544,815**
Net loss from discontinuing operations	**-**	**-**	**-**	**-**
For the three months ended April 30, 2023				
Revenue	-	11,993	-	11,993
Net loss from continuing operations	103,142	63,849	390,027	557,018
Net loss from discontinuing operations	78,316	964,495	80,330	1,123,141
As at April 30, 2024				
Non-current assets	**41,928**	**-**	**279**	**42,207**
As at January 31, 2024				
Non-current assets	46,333	-	637	46,970

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

12. Segment Reporting (continued)

Financial information pertaining to the Company's geographic areas is as follows:

	North America $	Europe $	Total $
For the three months ended April 30, 2024			
Revenue	**9,719**	**10,960**	**20,679**
For the three months ended April 30, 2023			
Revenue	-	11,993	11,993
As at April 30, 2024			
Non-current assets	**103**	**42,104**	**42,207**
As at January 31, 2024			
Non-current assets	322	46,648	46,970

13. Financial Instruments and Risk Management

Fair Value of Financial Instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

As at April 30, 2024, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature.

Risk Management

A summary of the Company’s risk exposures as it relates to financial instruments are reflected below:

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash, accounts receivable and other receivables. Management believes credit risk with respect to its financial instruments is minimal. The Company’s maximum exposure to credit risk as of April 30, 2024, is the carrying value of cash, accounts receivables and other receivables. Credit risk on cash is mitigated as it is held in a Tier 1 financial institution or the Company’s trust account. Other receivables consist primarily of government remittances recoverable and as such are at a low risk of default.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. The table below summarizes the contractual undiscounted payments its financial liabilities:

(Unaudited, expressed in Canadian dollars, unless otherwise noted)

13. Financial Instruments and Risk Management (continued)

As at April 30, 2024	Total $	Less than 1 year $	1 year to 3 years $	3 year to 5 years $	Over 5 years $
Accounts payable and accrued liabilities	2,031,945	2,031,945	-	-	-
	2,031,945	**2,031,945**	**-**	**-**	**-**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and specifically to foreign currency risk.

Foreign currency risk

The Company holds cash denominated in multiple currencies. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of settlement of their trade and other liability balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The following table demonstrates the sensitivity of the Company's foreign denomination balances, impact of net loss at the end of the reporting period to a reasonably possible change in the exchange rates of the foreign currencies, with all other variables held constant.

Base currency	Total financial instruments in base currency	% change in exchange rate	Total impact on net loss
GBP	(210,575)	10%	(35,473)
EUR	759	10%	111
USD	(106,148)	10%	(14,591)

14. Commitments and Contingencies

Contingent consideration payable to Equasy Enterprises Ltd.

Pursuant to the purchase agreement entered with Equasy Enterprises Ltd for the purchase of the IP Assets (Note 5), the Company agreed to issue Equasy Enterprises Ltd up to 330,000 shares upon the successful completion of certain development and regulatory milestones. 70,000 shares of these shares have been issued to date.

Deferred share units ("DSUs")

On December 13, 2021, the Company granted 35,172 DSUs to a director of the Company, pursuant to a restricted share unit ("RSU") and DSU compensation plan ("RSU/DSU Plan") adopted by the Company. The maximum number of awards issuable under the RSU/DSU Plan, together with the number of stock options issuable under the Company's stock option plan, may not exceed 10% of the number of issued and outstanding common shares of the Company as at the date of grant. Each vested DSU entitles the participant to receive one common share of the Company upon settlement.

14. Commitments and Contingencies (continued)

On June 27, 2023, the RSU/DSU Plan was approved and ratified at the Company's annual shareholder meeting. On the date of grant, the Company issued 35,172 DSUs at a price of $0.21 per unit for a total value of $7,386 based on the share price at the date of issuance, which was recognized as share-based compensation expense and contributed surplus. The DSUs vested immediately upon issuance.

On January 22, 2024, the Company issued 496,666 DSUs at a price of $0.11 per unit for a total value of $54,633 based on the share price at the date of issuance, which was recognized as share-based compensation expense and contributed surplus. The DSUs vested immediately upon issuance.

As at April 30, 2024, the Company had 531,838 DSUs outstanding.

Restricted share units ("RSUs")

On January 22, 2024, the Company granted 993,334 RSUs to certain directors, officers, employees, and consultants of the Company. The RSUs vest in two stages, with 50% vesting on the date that is one year from the date of grant, and the remaining 50% vesting on the date that is two years from the date of grant. Each RSU, once vested, represents the right to receive one common share of the Company. As of April 30, 2024, the RSUs remain unvested. The 993,334 RSUs had a total value of $132,162. During the three months ended April 30, 2024, $1,632 (2023 - $Nil) was recognized as share-based compensation expense and contributed surplus.

15. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of share capital, share-based payment reserve, warrant reserve, accumulated other comprehensive income and accumulated deficit. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administrative expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares and issuances of convertible debentures. There have been no changes to the Company's objectives and what it manages as capital since inception. The Company is not subject to externally imposed capital requirements.

16. Subsequent Events

On June 4, 2024, the Company closed a second tranche of its previously announced non-brokered private placement through the issuance of an additional 857,142 units at a price of $0.46 per Unit for additional gross proceeds of $394,285. Each unit is comprised of one common share in the capital of the Company and three quarters of one whole common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share at a price of $0.63 per common share for a period of five years from the date of issuance.