



**AWAKN LIFE SCIENCES CORP.**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 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	October 31, 2024 \$	January 31, 2024 \$
<b>Assets</b>			
Current assets			
Cash		505,850	407,301
Prepayments and deposits		58,489	68,467
Accounts receivable		55,489	6,746
Other receivables		15,866	13,862
<b>Total current assets</b>		<b>635,694</b>	496,376
Non-current assets			
Property and equipment	4	-	637
Intangible assets	5	33,118	46,333
<b>Total Assets</b>		<b>668,812</b>	543,346
<b>Liabilities</b>			
Accounts payable and accrued liabilities	12	2,074,545	2,066,217
Deferred revenue		2,948	7,418
Contract liability	7	114,671	-
<b>Total current liabilities</b>		<b>2,192,164</b>	2,073,635
<b>Total Liabilities</b>		<b>2,192,164</b>	2,073,635
<b>Shareholders' Deficiency</b>			
Share capital	8	23,232,120	22,219,422
Contributed surplus	8	7,757,148	7,493,345
Accumulated other comprehensive income		(265,571)	(277,941)
Accumulated deficit		(32,247,049)	(30,965,115)
<b>Total equity (deficiency)</b>		<b>(1,523,352)</b>	(1,530,289)
<b>Total Shareholders' Deficiency</b>		<b>(1,523,352)</b>	(1,530,289)
<b>Total Liabilities and Shareholders' Deficiency</b>		<b>668,812</b>	543,346

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

Going concern (note 1)  
 Commitments and contingencies (note 15)

Approved and authorized for issue by the Board of Directors on December 13, 2024.

"George Scorsis"  
 Director

"Steve Page"  
 Director

**AWAKN LIFE SCIENCES CORP.**
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**
**For the three and nine months ended October 31, 2024, and 2023**
*(Unaudited, expressed in Canadian dollars)*

	Note	Three months ended October 31, 2024 \$	Three months ended October 31, 2023 \$	Nine months ended October 31, 2024 \$	Nine months ended October 31, 2023 \$
<b>Revenue</b>					
Service revenue		3,670	28,940	35,343	65,555
<b>Total revenue</b>		<b>3,670</b>	<b>28,940</b>	<b>35,343</b>	<b>65,555</b>
<b>Operating expenses</b>					
Research and development		188,664	188,976	480,862	575,875
General and administration		205,065	338,833	846,207	1,530,407
Sales and marketing		50,037	101,827	175,216	309,831
Share-based compensation	8,12,15	27,293	67,925	97,625	720,006
Depreciation and amortization	4,5,6	4,446	6,306	13,861	13,528
<b>Total operating expenses</b>		<b>475,505</b>	<b>703,867</b>	<b>1,613,771</b>	<b>3,149,647</b>
<b>Other expense (income)</b>					
Gain on disposition of subsidiaries	9	-	-	-	(274,414)
Other income	7,9	(50,000)	-	(271,752)	-
Finance costs (income)	10	-	(2,114)	(2,394)	(83,501)
Foreign exchange loss (gain)		(45,709)	(25,579)	(22,348)	(370,522)
<b>Loss from operations before income taxes</b>		<b>(376,126)</b>	<b>(647,234)</b>	<b>(1,281,934)</b>	<b>(2,355,655)</b>
Income tax expense - current		-	-	-	-
Income tax expense - deferred		-	-	-	-
<b>Loss from continuing operations</b>		<b>(376,126)</b>	<b>(647,234)</b>	<b>(1,281,934)</b>	<b>(2,355,655)</b>
<b>Loss after tax from discontinued operations</b>	9	-	-	-	(1,721,944)
<b>Net loss</b>		<b>(376,126)</b>	<b>(647,234)</b>	<b>(1,281,934)</b>	<b>(4,077,599)</b>
<b>Other comprehensive income (loss)</b>					
Foreign exchange translation adjustment		(4,272)	(1,745)	12,370	(289,053)
<b>Comprehensive loss</b>		<b>(380,398)</b>	<b>(648,979)</b>	<b>(1,269,564)</b>	<b>(4,366,652)</b>
<b>Net loss from continuing operations attributable to:</b>					
Shareholders		(376,126)	(647,234)	(1,281,934)	(2,355,655)
Non-controlling interests		-	-	-	-
		<b>(376,126)</b>	<b>(647,234)</b>	<b>(1,281,934)</b>	<b>(2,355,655)</b>
<b>Net loss from discontinuing operations attributable to:</b>					
Shareholders		-	-	-	(1,630,769)
Non-controlling interests		-	-	-	(91,175)
		-	-	-	(1,721,944)
<b>Comprehensive loss attributable to:</b>					
Shareholders		(380,398)	(648,979)	(1,269,564)	(4,275,477)
Non-controlling interests		-	-	-	(91,175)
		<b>(380,398)</b>	<b>(648,979)</b>	<b>(1,269,564)</b>	<b>(4,366,652)</b>
<b>Net loss per share:</b>					
Net loss attributable to common shares (\$) - continuing operations	11	(376,126)	(647,234)	(1,281,934)	(2,355,655)
Basic and diluted loss per share - continuing operations		(0.01)	(0.02)	(0.03)	(0.08)
Net loss attributable to common shares (\$) - discontinued operations	11	-	-	-	(1,721,944)
Basic and diluted loss per share - discontinued operations		-	-	-	(0.06)
Weighted average number of shares outstanding – basic and diluted	11	35,075,977	30,511,149	40,181,394	28,223,421

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 nine months ended October 31, 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
			\$	\$	\$	\$	\$	\$	\$
<b>Balance, February 1, 2023</b>		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	8	5,945,010	1,958,207	730,806	-	-	2,689,013	-	2,689,013
Shares issued as contingent consideration	8	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	8	-	-	712,268	-	-	712,268	-	712,268
Net loss from continuing operations		-	-	-	-	(2,355,655)	(2,355,655)	-	(2,355,655)
Net loss from discontinued operations	9	-	-	-	-	(1,630,769)	(1,630,769)	(91,175)	(1,721,944)
Other comprehensive loss		-	-	-	(289,053)	-	(289,053)	-	(289,053)
Change in ownership of Bristol		-	-	(988,655)	-	-	(988,655)	988,655	-
<b>Balance, October 31, 2023</b>		<b>38,591,197</b>	<b>22,032,740</b>	<b>7,351,059</b>	<b>(391,802)</b>	<b>(29,940,010)</b>	<b>(948,013)</b>	-	<b>(948,013)</b>
<b>Balance, February 1, 2024</b>		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	8	2,571,427	1,012,698	166,178	-	-	1,178,876	-	1,178,876
Share-based compensation	8	-	-	97,625	-	-	97,625	-	97,625
Net loss from continuing operations		-	-	-	-	(1,281,934)	(1,281,934)	-	(1,281,934)
Other comprehensive loss		-	-	-	12,370	-	12,370	-	12,370
<b>Balance, October 31, 2024</b>		<b>41,662,624</b>	<b>23,232,120</b>	<b>7,757,148</b>	<b>(265,571)</b>	<b>(32,247,049)</b>	<b>(1,523,352)</b>	-	<b>(1,523,352)</b>

*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 nine months ended October 31, 2024, and 2023**  
*(Unaudited, expressed in Canadian dollars)*

	Note	Nine months ended October 31, 2024 \$	Nine months ended October 31, 2023 \$
<b>CASH FLOW USED IN OPERATING ACTIVITIES</b>			
Net loss for the period		(1,281,934)	(4,077,599)
Net loss from discontinued operations		-	(1,721,944)
Loss from continuing operations		(1,281,934)	(2,355,655)
Items not affecting cash:			
Share-based compensation	8	97,625	720,006
Depreciation and amortization	4,5,6	13,852	13,518
Effect of foreign exchange translation		-	(82,518)
Gain on sale of assets	9	-	(274,414)
Changes in non-cash working capital items:			
Prepayments and deposits		9,978	123,362
Accounts receivable		(48,743)	(212,367)
Other receivables		(2,004)	(31,659)
Accounts payable and accrued liabilities		8,328	578,400
Contract liability	7	114,671	-
Deferred revenue		(4,470)	22,230
<b>Cash flow (used in) operating activities from continuing operations</b>		<b>(1,092,697)</b>	<b>(1,499,097)</b>
<b>Cash flow (used in) operating activities from discontinued operations</b>		<b>-</b>	<b>(782,906)</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Cash proceeds from sale of subsidiaries		-	60,736
<b>Cash flow from investing activities from continuing operations</b>		<b>-</b>	<b>60,736</b>
<b>Cash flow (used in) investing activities from discontinued operations</b>		<b>-</b>	<b>(81,142)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of common shares, net	8	1,178,876	2,689,013
<b>Cash flow from financing activities from continuing operations</b>		<b>1,178,876</b>	<b>2,689,013</b>
<b>Cash flow (used in) financing activities from discontinued operations</b>		<b>-</b>	<b>(199,968)</b>
<b>Effect of exchange rate changes</b>		<b>12,370</b>	<b>1,469</b>
<b>Increase in cash</b>		<b>86,179</b>	<b>186,636</b>
<b>Cash, beginning of period</b>		<b>407,301</b>	<b>550,866</b>
<b>Cash, end of period</b>		<b>505,850</b>	<b>738,971</b>
Reclassification of cash as discontinued operations		-	184,314
<b>Cash, end of period from continuing operations</b>		<b>505,850</b>	<b>554,657</b>
<b>Non-cash transactions</b>			
Shares issued for intangible asset	5	-	23,100
Shares issued for contingent consideration	8	-	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.*

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

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**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 October 31, 2024 and for the nine months ended October 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses of \$32,247,049 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 and nine months ended October 31, 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 December 13, 2024.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***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 9).

*(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:

<b>Name of entity</b>	<b>Principal place of business</b>	<b>%</b>	<b>Functional currency</b>
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 Research and Development 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 condensed consolidated interim 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.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(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 nine months ended October 31, 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 October 31, 2024 and January 31, 2024 consists of the following:

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

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***4. Property and Equipment (continued)**

	Computer equipment and Furniture and fixtures	Total
	\$	\$
<b>Accumulated depreciation</b>		
<b>Balance, February 1, 2023</b>	<b>64,303</b>	<b>442,597</b>
Depreciation	1,444	1,444
Disposals	(62,533)	(448,637)
Exchange realignment	477	8,287
<b>Balance, January 31, 2024</b>	<b>3,691</b>	<b>3,691</b>
Depreciation	637	637
Exchange realignment	20	20
<b>Balance, October 31, 2024</b>	<b>4,348</b>	<b>4,348</b>
<b>Net book value</b>		
At January 31, 2024	637	637
<b>At October 31, 2024</b>	<b>-</b>	<b>-</b>

Depreciation expense related to property and equipment was \$29 and \$637 for the three and nine months ended October 31, 2024, respectively (2023 - \$361 and \$1,083, respectively).

In connection with the disposition of the Former Subsidiaries (Note 9) 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
	\$
<b>Cost</b>	
<b>Balance, February 1, 2023</b>	<b>81,500</b>
Additions	6,600
<b>Balance, January 31, 2024 and October 31, 2024</b>	<b>88,100</b>
<b>Accumulated amortization</b>	
<b>Balance, February 1, 2023</b>	<b>24,917</b>
Amortization	16,850
<b>Balance, January 31, 2024</b>	<b>41,767</b>
Amortization	13,215
<b>Balance, October 31, 2024</b>	<b>54,982</b>
<b>Net book value</b>	
At January 31, 2024	46,333
<b>At October 31, 2024</b>	<b>33,118</b>

On March 8, 2021, the Company completed the acquisition of proprietary research data on next generation candidate 3-4 methylenedioxyamphetamine (“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

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(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 8).

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 9) 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 October 31, 2024 and January 31, 2024:

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

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(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 October 31, 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
<b>Balance, January 31, 2024 and October 31, 2024</b>	<b>-</b>

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 the three and nine months ended October 31, 2024, was \$Nil and \$Nil, respectively (2023 - \$46,287 and \$102,040, respectively), which were included in discontinued operations.

**7. Contract Liability**

The Company entered into a commercial collaboration agreement dated July 17, 2024 (the "Collaboration Agreement") with Graft Polymer ("Graft"). The collaboration is focused on developing Awakn's novel aminoindane new chemical entity series programme (the "Aminoindane NCEs") which have potential in trauma-related mental health disorders, developed as part of Awakn's previous new chemical entity research program. The collaboration involves the joint development and potential commercialization of the Aminoindane NCEs, with an initial phase focused on completing certain pre-clinical research activities.

Under the Collaboration Agreement, Graft initially contributed \$533,300 (£300,000) ("Initial Payment") and expertise in novel drug delivery systems to potentially enhance the bioavailability and improve the pharmacokinetics of the Aminoindane NCEs. The \$221,752 (£125,000) of the Initial Payment may be applied to historical costs associated with the patents and therefore was recognized immediately as other income during the nine months ended October 31, 2024.

Future funding of the collaboration is intended to be split equally between Awakn and Graft, and Awakn has agreed to grant Graft a royalty of initially 40% of the future net income generated by the Aminoindane NCEs, such royalty to be adjusted based on the actual proportional split between the parties of future funding. As of October 31, 2024, there has been no royalty accrued. As of October 31, 2024, the Company has a remaining contract liability balance of \$114,671 (£63,866).

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***8. Shareholders' Equity**Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at October 31, 2024, there were no shares issued and outstanding other than common shares.

		<b>Number of shares</b>	<b>Amount \$</b>
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
<b>Balance, January 31, 2024</b>		<b>39,091,197</b>	<b>22,219,422</b>
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
Issuance of common shares and warrants, net of issuance cost	(9)	857,142	341,060
Issuance of common shares and warrants, net of issuance cost	(10)	428,571	166,285
Issuance of common shares and warrants, net of issuance cost	(11)	857,143	345,948
<b>Balance, October 31, 2024</b>		<b>41,662,624</b>	<b>23,232,120</b>

*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.
- 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).

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

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**8. Shareholders' Equity (continued)**

- 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 nine months ended October 31, 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.
- 9) On June 4, 2024, the Company closed a second tranche of a non-brokered private placement through the issuance of 857,142 units at a price of \$0.46 per unit for gross proceeds of \$394,285. The Company recorded a total warrant reserve of \$53,078. The Company incurred share issuance costs of \$170 related to the completion of the private placement, of which \$147 was allocated to share capital and \$23 was allocated to the total warrant reserve.



**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***8. Shareholders' Equity (continued)**

- 10) On July 31, 2024, the Company closed a third tranche of a non-brokered private placement through the issuance of 428,571 units at a price of \$0.46 per unit for gross proceeds of \$197,143. The Company recorded a total warrant reserve of \$30,588. The Company incurred share issuance costs of \$320 related to the completion of the private placement, of which \$270 was allocated to share capital and \$50 was allocated to the total warrant reserve.
- 11) On September 18, 2024, the Company closed a fourth tranche of a non-brokered private placement through the issuance of 857,143 units at a price of \$0.46 per unit for gross proceeds of \$394,286. The Company recorded a total warrant reserve of \$46,574. The Company incurred share issuance costs of \$2,000 related to the completion of the private placement, of which \$1,764 was allocated to share capital and \$236 was allocated to the total warrant reserve.

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:

	<b>Number of options</b>	<b>Weighted average exercise price (\$)</b>
Balance, February 1, 2023	3,021,746	0.95
Expired	(965,000)	0.70
Balance, January 31, 2024	2,056,746	1.03
Cancelled	(215,000)	2.05
Expired	(56,918)	2.44
<b>Balance, October 31, 2024</b>	<b>1,784,828</b>	<b>0.86</b>

During the nine months ended October 31, 2024, and 2023, there were no options granted. During the nine months ended October 31, 2024, 56,918 options expired (2023 - 715,000) and 215,000 options were cancelled (2023 - Nil).

The share-based compensation and charge to share-based reserve relating to the vesting of stock options for the three and nine months ended October 31, 2024, was \$12,813 and \$50,150, respectively (2023 - \$60,187 and \$712,268, respectively).

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***8. Shareholders' Equity (continued)**Stock options (continued)

The following table presents information related to stock options outstanding as at October 31, 2024:

Grant date	Exercise price (\$)	Weighted average remaining life (yrs)	Number of options outstanding	Number of options exercisable
January 31, 2021	0.300	1.25	30,000	30,000
March 8, 2021	1.200	1.35	510,000	510,000
April 12, 2021	1.200	1.45	200,000	200,000
September 14, 2021	2.500	1.87	20,000	20,000
December 13, 2021	2.900	2.12	24,828	24,828
December 12, 2022	0.550	3.12	1,000,000	666,667
		2.36	1,784,828	1,451,495

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	1,928,571	0.63
Expired	(1,615,625)	2.60
<b>Balance, October 31, 2024</b>	<b>15,073,184</b>	<b>0.65</b>

The following table presents information related to warrants outstanding as at October 31, 2024:

Issue Date	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
September 14, 2022 (1)	0.68	2.87	1,880,454
September 14, 2022 (2)	0.68	2.87	53,200
November 16, 2022 (3)	0.68	3.04	3,395,902
November 16, 2022 (4)	0.68	3.04	281,364
April 25, 2023 (5)	0.63	3.48	1,794,644
June 9, 2023 (6)	0.63	3.61	2,700,000
June 14, 2023 (7)	0.63	3.62	1,413,153
September 14, 2023 (8)	0.63	3.87	1,250,896
December 15, 2023 (9)	0.63	4.13	375,000
February 5, 2024 (10)	0.63	4.26	107,143
April 17, 2024 (11)	0.63	4.46	214,286
June 4, 2024 (12)	0.63	4.59	642,857
July 31, 2024 (13)	0.63	4.75	321,428
September 18, 2024 (14)	0.63	4.88	642,857
	0.65	3.54	15,073,184

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

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**8. Shareholders' Equity (continued)**

Warrants (continued)

- 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. On July 31, 2024, the Company modified the expiry date of the warrants to September 14, 2027. All other terms of the warrants remain unchanged. There was no amendment made to the value of warrants as per the Company's accounting policy.
- 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. On July 31, 2024, the Company modified the expiry date of the warrants to September 14, 2027. All other terms of the warrants remain unchanged. There was no amendment made to the value of warrants as per the Company's accounting policy.
- 3) 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. On July 31, 2024, the Company modified the expiry date of the warrants to November 16, 2027. All other terms of the warrants remain unchanged. There was no amendment made to the value of warrants as per the Company's accounting policy.
- 4) 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. On July 31, 2024, the Company modified the expiry date of the warrants to November 16, 2027. All other terms of the warrants remain unchanged. There was no amendment made to the value of warrants as per the Company's accounting policy.
- 5) 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.
- 6) 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.

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

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**8. Shareholders' Equity (continued)**

Warrants (continued)

- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) On June 4, 2024, 642,857 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 4, 2029. The \$53,078 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 145.63%; risk-free interest rate – 3.50%; dividend rate - 0%; and stock price - \$0.11.
- 13) On July 31, 2024, 321,428 warrants of the Company were issued as part of a private placement, with an exercise price of \$0.63 per common share, exercisable until July 31, 2029. The \$30,588 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 145.02%; risk-free interest rate – 3.09%; dividend rate - 0%; and stock price - \$0.12.
- 14) On September 18, 2024, 642,857 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 18, 2029. The \$46,574 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life - 5 years; annualized volatility – 143.26%; risk-free interest rate – 2.74%; dividend rate - 0%; and stock price - \$0.095.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***9. 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) <sup>(1)</sup>	143,904
Sale consideration <sup>(2)</sup>	(368,318)
<b>Gain on disposal of assets</b>	<b>(224,414)</b>

(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 10).

(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:

	<b>For the nine months ended October 31, 2024</b>	For the nine months ended October 31, 2023
Revenue	-	947,361
Research and development	-	(90,692)
General and administration	-	(465,671)
Sales and marketing	-	(81,845)
Change in contingent consideration	-	14,306
Depreciation and amortization	-	(314,093)
Service costs	-	(1,536,611)
Finance costs	-	(194,539)
	-	(1,721,944)

During the quarter ended October 31, 2024, the Company determined that \$50,000 related to the disposition of Awakn Norway AS was considered recoverable and recorded the amount as Other Income on the Statements of Loss and Comprehensive Loss.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***10. 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 8). 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 9), the loans payable balance \$705,714 was disposed of as of the date of sale. As of October 31, 2024, the 600,000 warrants had expired unexercised.

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 9).

**11. Loss per Share**

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

	<b>Three months ended October 31, 2024</b>	Three months ended October 31, 2023	<b>Nine months ended October 31, 2024</b>	Nine months ended October 31, 2023
	\$	\$	\$	\$
<b>Numerator:</b>				
Net loss from continuing operations attributable to shareholders - basic and diluted	<b>(376,126)</b>	(647,234)	<b>(1,281,934)</b>	(2,355,655)
Net loss from discontinued operations attributable to shareholders - basic and diluted	-	-	-	(1,721,944)
<b>Denominator:</b>				
Weighted-average number of common shares	<b>35,075,977</b>	30,511,149	<b>40,181,394</b>	28,223,421

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.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***12. 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 three and nine months ended October 31, 2024, and 2023, the Company had the following related party transactions:

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

	<b>Three months ended October 31, 2024</b>	Three months ended October 31, 2023	<b>Nine months ended October 31, 2024</b>	Nine months ended October 31, 2023
Short-term compensation	\$ 151,305	\$ 155,264	\$ 487,295	\$ 781,957
Share-based payments	26,698	54,235	86,217	182,273
<b>Total</b>	<b>\$ 178,003</b>	<b>\$ 209,499</b>	<b>\$ 573,512</b>	<b>\$ 964,230</b>

(b) As at October 31, 2024, a balance of \$416,042 (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.

**13. 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.

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

**13. Segment Reporting (continued)**

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 \$
<b><i>For the nine months ended October 31, 2024</i></b>				
Revenue	-	35,343	-	35,343
Net loss from continuing operations	259,254	(41,202)	1,063,882	1,281,934
Net loss from discontinuing operations	-	-	-	-
<b><i>For the nine months ended October 31, 2023</i></b>				
Revenue	-	65,555	-	65,555
Net loss from continuing operations	394,252	95,424	1,865,979	2,355,655
Net loss from discontinuing operations	264,234	1,309,351	148,359	1,721,944
<b><i>For the three months ended October 31, 2024</i></b>				
Revenue	-	3,670	-	3,670
Net loss from continuing operations	188,665	(45,861)	233,322	376,126
Net loss from discontinuing operations	-	-	-	-
<b><i>For the three months ended October 31, 2023</i></b>				
Revenue	-	28,940	-	28,940
Net loss from continuing operations	135,958	4,252	507,024	647,234
Net loss from discontinuing operations	-	-	-	-
<b><i>As at October 31, 2024</i></b>				
Non-current assets	33,118	-	-	33,118
<b><i>As at January 31, 2024</i></b>				
Non-current assets	46,333	-	637	46,970

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

	North America \$	Europe \$	Total \$
<b><i>For the nine months ended October 31, 2024</i></b>			
Revenue	16,611	18,732	35,343
<b><i>For the nine months ended October 31, 2023</i></b>			
Revenue	-	65,555	65,555
<b><i>As at October 31, 2024</i></b>			
Non-current assets	-	33,118	33,118
<b><i>As at January 31, 2024</i></b>			
Non-current assets	322	46,648	46,970



**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***14. 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 October 31, 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:

Credit Risk

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 October 31, 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.

Liquidity risk

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

	Total	Less than 1 year	1 year to 3 years	3 year to 5 years	Over 5 years
As at October 31, 2024	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,074,545	2,074,545	-	-	-
	2,074,545	2,074,545	-	-	-

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.

**AWAKN LIFE SCIENCES CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the three and nine months ended October 31, 2024, and 2023***(Unaudited, expressed in Canadian dollars, unless otherwise noted)***14. Financial Instruments and Risk Management (continued)**

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.

<b>Base currency</b>	<b>Total financial instruments in base currency</b>	<b>% change in exchange rate</b>	<b>Total impact on net loss</b>
GBP	18,016	10%	3,235
EUR	2,018	10%	305
USD	(87,140)	10%	(12,126)

**15. 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.

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 October 31, 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 October 31, 2024, the RSUs remain unvested. The 993,334 RSUs had a total value of \$132,162. During the three and nine months ended October 31, 2024, \$16,678 and \$49,674 (2023 - \$Nil and \$Nil), respectively, was recognized as share-based compensation expense and contributed surplus.

**AWAKN LIFE SCIENCES CORP.**

**Notes to the Condensed Consolidated Interim Financial Statements**

**For the three and nine months ended October 31, 2024, and 2023**

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

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**16. 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.