TELESCOPE INNOVATIONS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023 AND 2022

(UNAUDITED)

TELESCOPE INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
As at November 30, 2023

	Note	November 30, 2023	August 31, 2023 (Audited)
ASSETS			
Current assets			
Cash		$ 442,654	$ 356,809
Accounts receivable		1,101,248	224,589
Contract assets	**13**	25,731	25,731
Inventory	**5**	69,744	248,600
Sales taxes recoverable		125,466	222,868
Prepaid expenses and deposits		75,641	128,380
Total current assets		1,840,484	1,206,977
Equipment	**7**	1,176,626	1,259,123
Right of use asset	**11**	2,040,444	-
Long-term prepaid expense		746,540	824,412
Total assets		$ 5,804,094	$ 3,290,512
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 192,311	$ 178,872
Amounts due to related parties	**10**	295,859	302,975
Lease liabilities – current	**11**	181,861	-
Deferred revenue		349,675	231,333
Total current liabilities		1,019,706	713,180
Lease liabilities – long term	**11**	1,880,546	-
Total liabilities		2,900,252	
EQUITY			
Share capital	**8**	10,337,105	10,337,105
Equity reserves	**9**	3,094,488	2,982,978
Accumulated deficit		(10,527,751)	(10,742,751)
Total equity		2,903,842	2,577,332
Total liabilities and equity		$ 5,804,094	$ 3,290,512

Approved by the Board on January 29, 2023:

"Robert Mintak"	*"James Andrew Robinson"*
Director	Director

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

TELESCOPE INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
For the Three Months Ended November 30, 2023, and 2022

	Note		2023		2022
Revenues	**12**	$	1,504,852	$	511,065
Expenses					
Advertising and promotion			24,458		1,698
Amortization			125,703		67,639
Consulting			138,065		389,904
Foreign exchange gain			(2,293)		(12,684)
Insurance			21,153		4,038
Interest on right of use asset	**11**		55,251		-
Lab operations and supplies			83,568		116,809
Management fees	**10**		60,100		50,100
Office and miscellaneous			36,442		19,954
Parts	**5**		209,795		-
Professional fees			32,336		47,538
Regulatory and transfer agent fees			21,250		7,267
Rent			-		35,574
Salaries and wages			274,569		-
Share-based payments	**9**		111,510		-
Travel			97,947		53,463
			(1,289,852)		**(781,300)**
Net Income (loss) and comprehensive loss		**$**	**215,000**	**$**	**(270,235)**
Basic and diluted income (loss) per share		**$**	**0.00**	**$**	**(0.01)**
Weighted average number of common shares outstanding – basic and diluted			**53,665,569**		**48,424,426**

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

TELESCOPE INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital Amount		Equity Reserves		Accumulated Deficit		Total Equity
Balance, September 1, 2022	**48,786,070**	**$**	**8,954,720**	**$**	**2,742,469**	**$**	**(10,024,657)**	**$**	**1,672,532**
Share-based payments (Note 9)									
Proceeds from private placements (Note 8)	4,879,499		1,462,650		-		-		1,462,650
Net loss and comprehensive loss							(270,235)		
Balance, November 30, 2022	**53,665,569**	**$**	**10,417,370**	**$**	**2,742,469**	**$**	**(10,294,892)**	**$**	**2,864,947**
Balance, September 1, 2023	**53,665,569**	**$**	**10,337,105**	**$**	**2,982,978**	**$**	**(10,742,751)**	**$**	**2,577,332**
Share-based payments (Note 9)	-		-		111,510		-		111,510
Net loss and comprehensive income	-		-		-		215,000		215,000
Balance, November 30, 2023	**53,665,569**	**$**	**10,337,105**	**$**	**3,094,488**	**$**	**(10,527,751)**	**$**	**2,903,842**

(The accompanying notes are an integral part of these Condensed consolidated Interim financial statements)

TELESCOPE INNOVATIONS CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
For the Three Months Ended November 30, 2023 and 2022

	2023	2022
CASH PROVIDED BY (USED IN):		
Operating Activities		
Net income (loss)	$ 215,000	$ (270,235)
Adjustments for non-cash items:		
Share-based payments	111,510	-
Amortization	125,703	67,639
Change in non-cash working capital items		
Sales taxes recoverable	97,402	(19,963)
Accounts receivable – trade	(876,659)	158,748
Interest in right of use asset	55,251	-
Inventory	178,856	-
Prepaid expenses and deposits	62,739	7,237
Due to related parties	46,700	70,112
Accounts payable and accrued liabilities	13,439	(281,833)
Deferred revenue	64,526	(207,857)
Cash provided (used) in operating activities	94,467	(476,201)
Investing Activities		
Equipment purchases	(8,622)	(35,599)
Cash used in investing activities	(8,622)	(35,599)
Financing Activities		
Proceeds from the issuance of shares, net of costs	-	1,462,650
Cash provided by financing activities	-	1,462,650
Increase in cash during the period	85,845	(950,850)
Cash, Beginning	356,809	719,493
Cash, Ending	$ 442,654	$ 1,670,343

Supplemental Cash Flow Information

	2023	2022
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Telescope Innovations Corp. (the "Company" or "Telescope") was incorporated under the British Columbia Business Corporations Act on March 25, 2019. The Company is focused on doing business as a Contract Research Organisation ("CRO") to develop intellectual property, contract research and build automation products. The address of the Company's corporate office and principal place of business is 301 – 2386 East Mall, Vancouver, BC V6T 1Z3, Canada. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "TELI" and on the OTCQB under the symbol "TELIF".

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the continued realization of assets and satisfaction of liabilities and commitments in the normal course of business.

During the period ended November 30, 2023, the Company generated net income of $215,000, and positive cash flows of $94,467 from operating activities, and had an accumulated deficit of $10,527,751 which has been funded primarily by equity financing. The Company's ability to continue as a going concern is dependent upon its ability to continue to be profitable and generate positive cash flows, obtaining additional financing or maintaining continued support from its creditors. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on January 29, 2024.

b) Basis of consolidation

These condensed consolidated interim financial statements include the assets and operations of the Company and its wholly owned subsidiary 1280225 B.C. Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation. On August 30, 2022, the Company amalgamated with its wholly owned subsidiary ClearMynd Technology Solutions Corp.

c) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

2. MATERIAL ACCOUNTING POLICIES (continued)

d) Cash and cash equivalents

Cash in the statements of financial position is comprised solely of cash held in banks. The Company did not have any cash equivalents as of November 30, 2023, and 2022.

e) Income taxes

i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

ii) Deferred income tax

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Revenue from contracts with customers

The Company applies IFRS 15, *Revenue from Contracts with Customers.* Accordingly, revenue is recognized when a customer obtains controls of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

The Company's generates revenues through contracts with customers to provide the sale of automation products and contract research. Revenue relating to the sale of products and services is recognized when control and ownership of the product has transferred or the deliverable for services is provided to the customer and an amount that reflects the consideration the Company expects to receive in exchange for the goods and services. Revenues from these contracts are recognized upon the achievement of agreed to milestones or periodically over the term of the contract when invoiced to the customer by the Company.

In instances where the Company cannot reasonably measure progress towards completing its performance obligations but expects to recover its costs incurred, the Company recognizes revenue only to the extent of costs incurred until it can reasonably measure the outcome of its performance obligations.

Deferred revenues represent amounts invoiced in excess of revenues recognized. For contracts with multiple performance obligations, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price basis.

2. MATERIAL ACCOUNTING POLICIES (continued)

g) Inventories

Parts, work in process, and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined using first-in-first-out ("FIFO") method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company maintains two categories of inventory: parts and finished goods.

h) Financial instruments

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company measures cash at FVTPL. The Company's accounts receivable is measured at amortized cost.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. MATERIAL ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

Financial Liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities required to be measured at FVTPL or if the Company has opted to measure them at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and due to related parties are measured at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

i) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party when there is a transfer of resources or obligations between related parties.

j) Equipment

Equipment is recorded at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Residual values and useful economic lives are reviewed at least annually and are adjusted if appropriate at each reporting date. Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expense during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the consolidated statement of comprehensive loss.

Amortization is recognized in profit or loss and equipment are amortized using the straight-line method over their estimated useful lives of five years.

k) Research and development expenditures

Research expenditures are expensed in the period incurred. Product development expenditures are expensed in the period incurred unless the product under development meets specific criteria related to technical, market and financial feasibility for deferral and amortization. The Company's policy is to amortize deferred product development expenditures over the expected future life of the product once product revenues or royalties are recorded.

2. MATERIAL ACCOUNTING POLICIES (continued)

l) Share capital

The Company records the proceeds received net of direct issuance costs from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common share and warrant component. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

m) Share-based payment transactions

Employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in share-based payments expense.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

n) Income (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. MATERIAL ACCOUNTING POLICIES (continued)

o) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company and its subsidiaries operate ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

3. MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

4. ACCOUNTING PRONOUNCEMENTS

a) New and amended IFRS standards that are effective for the current year

In the current period, the Company has applied the below amendment to IFRS Standards and Interpretations issued by the IASB that was effective for annual periods that begin on or after January 1, 2023. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment was applied effective January 1, 2023 and did not have a material impact on the Company's Financial Statements.

(Expressed in Canadian Dollars)

4. ACCOUNTING PRONOUNCEMENTS (continued)

b) New accounting pronouncements issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's condensed consolidated interim financial statements. The Company did not adopt any new accounting pronouncements during period ended November 30, 2023, which had a significant impact on the condensed consolidated interim financial statements.

5. INVENTORIES

Parts and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined using a weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company maintains two categories of inventory: parts and finished goods.

As of November 30, 2023, and August 31, 2023 the Company valued its inventory as follows:

	November 30,2023	August 31, 2023
Finished goods	$ -	$ 59,941
Parts	69,744	188,659
	$ 69,744	$ 248,600

The amount of inventory recognized as expense during the three months ended November 30, 2023, was $209,795 (2022 - $Nil).

6. TECHNOLOGY ASSIGNMENT AGREEMENT

On November 29, 2021, the Company entered into an agreement with the University of British Columbia ("UBC") in which UBC has agreed to assign all interest in and to a provisional patent application related to the development of scalable synthetic psilocybin and other tryptamine compounds. The Company was also granted the option by UBC to acquire additional technological developments related to the patent application in the future. In consideration for the assignment of the interest, and the grant of the option, on January 10, 2022, the Company issued 1,000,000 common shares with a fair value of $ 850,000 to UBC which was included in expenses as patent costs.

(Expressed in Canadian Dollars)

7. EQUIPMENT

During the three months ended November 30, 2023, the Company purchased $8,622 of equipment (August 31, 2023 - $128,216). The equipment is being depreciated using the straight-line method over a five useful life of the equipment.

		Office and lab equipment
Cost		
Balance, August 31, 2022	$	1,803,296
Additions, net of adjustments		35,765
Balance, August 31, 2023		1,839,061
Additions		8,622
Balance, November 20, 2023	**$**	**1,847,683**
Accumulated amortization		
Balance, August 31, 2022	$	276,340
Additions		303,598
Balance, August 31, 2023		579,938
Additions		91,119
Balance, November 30, 2023		**671,057**
Net book value		
Balance, August 31, 2023		**1,259,123**
Balance, November 30, 2023	**$**	**1,176,626**

8. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Escrow shares

In connection with the Company's direct listing on the Canadian Securities Exchange during 2022, the Company entered into an Escrow Agreement dated September 27, 2021, whereby 11,643,741 common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at November 30, 2023, there were 3,493,119 common shares in escrow. The balance of escrow shares will be released between September 1, 2023, and September 27, 2024.

Share issuance

During the three months ended November 30, 2023, the Company issued no shares.

During the year ended August 31, 2023, the Company carried out the following common share transaction:

On November 10, 2022, the Company closed a private placement and issued 4,879,499 units of the Company at a price of $0.30 per unit for gross proceeds of $1,463,850. The Company allocated $1,415,055 of the proceeds to share capital and $48,795 for the fair value of warrants to reserves using the residual value method. Each Unit consists of one common share in the capital of the Company and one-half-of-one Common Share Purchase warrant. Each unit warrant entitles the holder to acquire an additional Common Share at a price of $0.75 per Warrant Share until November 10, 2024. The Company paid finders' fees of $33,796 related to the private placement, which was recorded as share issuance costs.

8. SHARE CAPITAL (continued)

Share issuance (continued)

During the months ended November 30, 2023, the Company issued no shares.

During the year ended August 31, 2023, the Company carried out the following common share transaction:

On November 10, 2022, the Company closed a private placement and issued 4,879,499 units of the Company at a price of $0.30 per unit for gross proceeds of $1,463,850. The Company allocated $1,415,055 of the proceeds to share capital and $48,795 for the fair value of warrants to reserves using the residual value method. Each Unit consists of one common share in the capital of the Company and one-half-of-one Common Share Purchase warrant. Each unit warrant entitles the holder to acquire an additional Common Share at a price of $0.75 per Warrant Share until November 10, 2024. The Company paid finders' fees of $33,796 related to the private placement, which was recorded as share issuance costs.

During the year ended August 31, 2022, the Company carried out the following common share transaction:

On November 29, 2021, the Company entered into an agreement with the University of British Columbia ("UBC") in which UBC has agreed to assign all interest in and to a provisional patent application and intellectual property related to the development of scalable synthetic psilocybin and other tryptamine compounds. The Company was also granted the option by UBC to acquire additional technological developments related to the patent application in the future. In consideration for the assignment of the interest, and the grant of the option, on January 10, 2022, the Company issued 1,000,000 common shares with an estimated fair value of $850,000 to UBC.

9. OPTIONS AND WARRANTS

Options

The Company has a stock option plan in place under which it is authorized to grant options to officers, directors, employees, consultants and management company employees enabling them to acquire up to 2,884,910 common shares of the Company. Under the plan, the exercise price of each option shall not be less than the price permitted by the CSE stock exchange. The options can be granted for a maximum term of 10 years.

a. On October 28, 2021, the Company issued 1,600,000 stock options to consultants and officers with an exercise price of $0.50 for a period of five years. The stock options will vest on March 1, 2022.

b. On November 23, 2021, the Company issued 1,725,000 stock options to consultants and officers with an exercise price of $0.90 for a period of five years. The options vested on March 24, 2022.

c. On March 14, 2022, the Company issued 100,000 stock options to a consultant with an exercise price of $0.55 for a period of five years. The options vested on July, 2022.

d. On July 19, 2022, the Company issued 500,000 options to consultants with an exercise price of $0.35 for a period of five years. The options vested on November 20, 2022.

(Expressed in Canadian Dollars)

9. OPTIONS AND WARRANTS (continued)

e. On May 5, 2023, the Company issued 350,500 stock options to employees with an exercise price of $0.14 for a period of five years. The option vested on September 5, 2023.

f. On August 2, 2023, the Company issued 800,000 stock options to directors with an exercise price of $0.27 for a period of five years. The options vest as follows: 66,667 options on August 31, 2023; 200,000 options on November 30, 2023; 200,000 options on February 28, 2024; 200,000 options on May 31, 2024; and 133,333 options on July 31, 2024.

g. On November 1, 2023, the Company issued 357,550 stock options to employees with an exercise price of $0.20 for a period of five years. The options vested immediately.

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

	October 28, 2021	**November 23, 2021**	**March 14, 2022**	**July 19, 2022**	**May 5, 2023**	**August 2, 2023**	**November 30, 2023**
Volatility*	165%	167%	167%	166%	149%	156%	134%
Risk-free interest rate	1.69%	1.57%	1.93%	3.08%	3.02%	4.04%	3.60%
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Expected life	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Expected forfeiture rate	0%	0%	0%	0%	0%	0%	0%
Weighted average grant date value	$0.71	$0.87	$0.52	$0.33	$0.13	$ 0.25	$0.20

*As the Company does not have publicly traded information for 5 years, volatility was estimated using publicly traded comparable companies.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance at August 31, 2022	3,925,000	$ 0.66
Options cancelled	(1,000,000)	$ 0.90
Options forfeited	(150,000)	$ 0.90
Options granted	1,150,500	$ 0.46
Balance at August 31, 2023	3,925,500	$ 0.66
Options granted	357,550	$ 0.20
Balance at November 30, 2023	4,283,550	$ 0.39

(Expressed in Canadian Dollars)

9. OPTIONS AND WARRANTS (continued)

The following table summarizes stock options outstanding and exercisable at November 30, 2023:

			Options Outstanding		Options Exercisable	
Exercise Price per share $	Number of Shares	Expiry Date	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price $	Number Exercisable	Weighted Average Exercise Price $
0.50	1,600,000	October 28, 2026	2.91	0.50	1,600,000	0.28
0.90	575,000	November 23, 2026	2.98	0.90	575,000	0.18
0.55	100,000	March 14, 2027	3.29	0.55	100,000	0.02
0.35	500,000	July 19, 2027	3.64	0.35	500,000	0.06
0.14	350,500	May 5, 2028	4.43	0.14	350,500	0.14
0.27	800,000	August 2, 2028	4.68	0.27	200,000	0.27
0.20	357,550	October 31, 2028	4.68	0.20	357,550	0.20
	4,283,050		3.77	0.46	3,283,000	0.77

A summary of issued and outstanding warrants is as follows:

	Number of warrants		Weighted average exercise price
Outstanding August 31, 2023	2,439,749	$	0.75
Issued	-	$	-
Outstanding November 30, 2023	2,439,749	$	0.75

The following warrants were outstanding at August 31, 2023:

Number of Warrants	Exercise Price	Expiry Date
2,439,749	$ 0.75	November 10, 2024

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include the Company's Board of Directors and Officers of the Company. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common.

(a) Key management personnel compensation is comprised of the following:

The remuneration of directors and other members of key management personnel during the period ended November 30, 2023, and 2022 were as follows:

		2023		**2022**
Consulting and management fees	$	105,386	$	56,100
Share based payments		48,810		-
	$	154,196	$	56,100

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Amounts due to/from related parties

In the normal course of operations, the Company transacts with companies related to the Company's directors and officers. All amounts payable and receivable are non-interest bearing, unsecured and due on demand. The following table summarizes the amounts due to related parties at November 30, 2023, and 2022:

		2023		2022
Dr. Jason Hein	$	290,350	$	249,950
Emprise Management Services Corp.		59,325		53,025
	$	349,675	$	302,975

(c) Other related party transactions

The Company recognizes Standard Lithium Ltd as a related party due to common directors. Mr. Rob Mintak and Dr. Andy Robertson serve as directors of Standard Lithium Ltd ("STL") and Telescope Innovations Corp. During the year ended August 31, 2033, the Company entered into new service contracts with STL and received total proceeds of $1,147,756 of which $74,418 was included in deferred revenues as at November 30, 2023. The total revenues recognized from STL contracts for the period was $289,185. As at November 30, 2023, $42,000 in payable from STL to the Company and included in accounts receivable.

11. RIGHT OF USE ASSET AND LEASE LIABILITIES

On April 2023, the Company entered into a 120-month office lease agreement that commenced on October 1, 2023. In analysing the identified agreement, the Company applied the lease accounting model pursuant to IFRS 16 and considered all the facts and circumstances surrounding the inception of the agreement. The lease term matures on September 30, 2033.

For the year period November 30, 2023, depreciation of the right of use asset was $34,584 (2022 - $Nil). The right of use asset is depreciated on a straight-line basis over 120 months.

Right of use asset, August 31, 2023	$	-
Additions		2,075,028
Depreciation of right of use asset		(34,584)
Right of use asset September 30, 2023	$	2,040,444

For the year period November 30, 2023, finance charges on the lease liability were $55,251 (2022 – Nil)

Lease liabilities, August 31, 2023	$	-
Additions		2,075,028
Accretion		55,251
Payments		(67,872)
Lease liabilities, November 30, 2023		2,062,407
Current lease liabilities		181,861
Long-term lease liabilities		1,880,546
Total lease liabilities at November 30, 2023	$	2,062,407

(Expressed in Canadian Dollars)

12. SEGEMENTED INFORMATION

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, and for which discrete financial information is available. The Company has one operating segment that generates revenues from two revenue streams, contract research services and sale of automation products. Revenue from the two sources for the period ended November 30, 2023 and 2022 are as follows:

	2023	2022
Contract research services	$ 491,573	$ 511,065
Automation product sales	1,013,279	-
Total	1,504,852	511,065

The Company's customers are located in 3 geographical locations:

	2023	2022
Contract research services		
Canada	$ 423,756	$ 336.530
United States	67,828	174,534
Total	491,573	511,065

	2023	2022
Automation product sales		
Canada	122,491	-
Europe	281,377	-
United States	609,411	-
Total	1,013,279	-

13. CONTRACT ASSETS AND LIABILITIES

The Company receives payments from customers based on the stage of completion of a contract. Contract assets relate to the Company's conditional right to consideration for the completed performance under the contract. Accounts receivable are recognized when the right to consideration becomes unconditional. Contract Liabilities relate to stage payments that are received in advance of performance under the contract and are presented as deferred revenue.

14. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to develop scalable manufacturing processes and tools for the pharmaceutical and chemical industry. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of all components of equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments include cash, accounts receivable, accounts payable, and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	November 30, 2023 $	August 31, 2023 $
FVTPL (i)	442,654	356,809
Financial assets at amortized cost (ii)	1,101,248	250,320
Financial liabilities at amortized cost (iii)	(371,171)	(393,361)

(i) Cash and cash equivalents
(ii) Accounts receivable
(iii) Accounts payable and due to related parties

Financial Instruments and Fair Value Measurements

International Financial Reporting Standards 7, *Financial Instruments: Disclosures,* establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets and financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at November 30, 2023:

		Level 1		Level 2		Level 3
November 30, 2023						
Cash	$	442,654	$	–	$	–
Total financial assets	$	442,654	$	–	$	–

At November, cash of $442,654 (2022 - $ 356,809) was classified as level 1. There were no transfers into or out of level 2 or level 3 during the year.

Fair value

The fair values of the Company's financial instruments approximate their carrying values as at November 30, 2023 and 2022 because of the demand nature or short-term maturity of these instruments.

The Company's financial instruments include cash, accounts receivable, accounts payable, and amounts due to related parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial Risk

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash and accounts receivable. The Company limits its exposure to credit loss for cash by placing such instruments with large Canadian financial institutions. The Company has not recorded an allowance for doubtful accounts against its trade receivables as all balances owed are settled in full when due (usually 90 days or less).

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at November 30, 2023, the Company had working capital of $820,779 (August 31, 2023 - $493,797) All of the Company's accounts payable and amounts due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any indebtedness that bears interest at fixed or variable rates.

(iv) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company's head office and operating expenses are mainly denominated in Canadian dollars although some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars.

As at November 30, 2023, $16,072 (2022 - $16,710) of the Company's liabilities and $1,189,822 (August 31, 2023 - $146,647) of its current assets are denominated in US dollars, Swiss Francs, and Euros. A 10% change in the exchange rate would result in a $120,589 net impact on the Company's foreign exchange gain or loss. As at November 30, 2023, the Company is moderately exposed to foreign exchange fluctuations.