

NETRAMARK HOLDINGS INC. (FORMERLY NUROSENE HEALTH INC.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2023, AND JUNE 30, 2022
(In Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED 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 interim consolidated 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 interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Condensed Interim Consolidated Statements of Financial Position (UNAUDITED)
(Expressed in Canadian dollars)

	Note	June 30, 2023 \$	September 30, 2022 \$
Assets			
Current Assets			
Cash and Cash Equivalents		333,911	10,092
Accounts Receivable		-	8,432
Prepaid Expenses		79,716	8,162
Other Receivables	5	41,226	245,181
Short-Term Investments	6	5,000	5,000
Total Current Assets		459,853	276,867
Non-Current Assets			
Intangibles	7	2,057,665	2,515,531
Goodwill	4	6,405,361	6,405,361
Total Non-Current Assets		8,463,026	8,920,892
Total Assets		8,922,879	9,197,759
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		981,930	1,064,150
Deferred Revenue	8	23,029	23,029
Total Current Liabilities		1,004,959	1,087,179
Total Liabilities		1,004,959	1,087,179
Shareholders' Equity			
Share Capital	9	27,149,567	24,249,313
Contributed Surplus	9	5,011,272	2,685,753
Accumulated Deficit		(24,242,919)	(18,824,486)
Total Shareholders' Equity		7,917,920	8,110,580
Total Liabilities and Shareholders' Equity		8,922,879	9,197,759

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

Nature of operations and going concern (note 1)

Subsequent events (note 14)

Approved and authorized for issue by the Board of Directors on August 17, 2023.

"Kevin Taylor"

Director

"Andrew Parks"

Director

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (UNAUDITED)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022
(Expressed in Canadian Dollars)

	Note	Three Months Ended		Nine Months Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
Revenue					
Sales Revenue		97	-	89,201	74,976
Total Revenue		97	-	89,201	74,976
Expenses					
Sales, General and Administrative	10	1,068,399	1,174,557	3,166,033	5,248,714
Share-Based Compensation	9	680,235	(317,165)	1,883,735	1,062,020
Depreciation and Amortization		152,621	-	457,866	-
Total Expenses		1,901,255	857,392	5,507,634	6,310,734
Net (Loss) and Comprehensive (Loss)		(1,901,158)	(857,392)	(5,418,433)	(6,235,758)
Net (Loss) Per Share – Basic and Diluted		(0.04)	(0.02)	(0.11)	(0.16)
Weighted Average Number of Shares Outstanding – Basic and Diluted		51,022,734	40,649,605	48,245,211	40,022,709

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

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (UNAUDITED)
For the Nine Months Ended June 30, 2023, and June 30, 2022
(Expressed in Canadian Dollars)

	Notes	Number of Shares	Common Shares \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, September 30, 2021		33,771,611	11,754,122	1,566,466	(5,376,807)	7,943,781
Issuance of Common Shares, Net of Expenses		6,148,325	12,850,000	-	-	12,850,000
Issuance of Common Shares for Services		215,311	450,000	-	-	450,000
Issuance of Common Shares, Private Placement, Net of Expenses		1,487,500	595,000	-	-	595,000
Share-Based Compensation		-	-	1,062,020	-	1,062,020
Issuance of Common Shares on Exercise of Warrants		133,602	116,492	-	-	116,492
Issuance of Common Shares on Cashless Options Exercise		21,140	32,767	(32,767)	-	-
Net Loss for The Period		-	-	-	(6,235,758)	(6,235,758)
Balance, June 30, 2022		41,777,489	25,798,381	2,595,719	(11,612,565)	16,781,535
Balance, September 30, 2022		42,521,102	24,249,313	2,685,753	(18,824,486)	8,110,580
Issuance of Common Shares, Private Placement, Net of Expenses	9	7,371,822	1,357,212	764,704	-	2,121,916
Issuance of Common Shares for Services	9	2,940,344	897,842	-	-	897,842
Issuance of Common Shares for Exercise of RSU	9	678,000	610,200	(610,200)	-	-
Issuance of Warrants for Services	9	-	-	287,280	-	287,280
Issuance of Common Shares for Exercise of Warrants	9	100,000	35,000	-	-	35,000
Share-Based Compensation		-	-	1,883,735	-	1,883,735
Net Loss for The Period		-	-	-	(5,418,432)	(5,418,432)
Balance, June 30, 2023		53,611,268	27,149,567	5,011,272	(24,242,919)	7,917,920

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

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Condensed Interim Consolidated Statements of Cash Flow (UNAUDITED)
For the Nine Months Ended June 30, 2023, and June 30, 2022
(Expressed in Canadian dollars)

	Note	June 30, 2023 \$	June 30, 2022 \$
Cash Flow from Operating Activities			
Net Loss and Comprehensive Loss for the Period		(5,418,433)	(6,235,758)
Items Not Affecting Cash:			
Shares Issued for Services	9	897,842	450,000
Warrants Issued for Services	9	287,280	-
Depreciation and Amortization	7	457,866	-
Share-Based Compensation	9	1,883,735	1,062,020
Changes in non-cash working capital items:			
Prepaid Expenses		(71,554)	144,109
Accounts Receivable		8,432	(98,655)
Other Receivables	5	203,955	(104,391)
Short-Term Investments	6	-	20,597
Accounts Payable and Accrued Liabilities		(82,220)	118,949
Non-Current Liabilities		-	23,029
Cash Flow used in Operating Activities		(1,833,097)	(4,620,100)
Cash Flow from Investing Activities			
Payment for NetraMark acquisition, Net	4	-	(2,058,465)
Increase in Intangible Assets	7	-	(152,494)
Cash Flow used in Investing Activities		-	(2,210,959)
Cash Flow from Financing Activities			
Proceeds from Issuance of Common Shares, Net	9	2,121,916	595,000
Issuance of Common Shares on Exercise of Warrants	9	35,000	116,492
Repayment of Loans		-	(50,597)
Cash Flow from Financing Activities		2,156,916	660,895
Change in Cash and Cash Equivalents		323,819	(6,170,164)
Cash and Cash Equivalents, Beginning of Period		10,092	6,286,115
Cash and Cash Equivalents, End of Period		333,911	115,951

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

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Notes to the Condensed Interim Consolidated Financial Statements (UNAUDITED)
(Expressed in Canadian Dollars, unless otherwise stated)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022

1. Nature of Operations and Going Concern

NetraMark Holdings Inc. (formerly Nurosene Health Inc.) (the "Company") was incorporated under the Business Corporations Act (Ontario) on May 8, 2019, under the name "2695174 Ontario Inc.". On June 19, 2020, the Company changed its name from "2695174 Ontario Inc." to "Nurosene Inc.". On March 26, 2021, the Company completed a continuance from the Business Corporations Act (Ontario) to the Business Corporations Act (British Columbia). In connection with the continuance, the Company changed its name to "Nurosene Health Inc.". On February 1st, 2023, the Company changed its name from "Nurosene Health Inc." to "NetraMark Holdings Inc".

The Company's head office is located at 1655 Dupont Street, Suite 101, Toronto, Ontario M6P 3T1 and its registered office is located at 500 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has begun to generate revenues, however, it is expected that additional capital investment will be required to continue to build the revenue pipeline. The Company's ability to generate revenues and potential to become profitable will depend largely on the ability to develop and market products and services. These condensed interim consolidated financial statements have been prepared on a basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These condensed interim consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company incurred a net loss of \$1,901,158 and \$5,418,433 (2022 - \$857,392 and \$6,235,758) during the three and nine months ended June 30, 2023, respectively, and had a working capital deficiency of \$545,106 (September 30, 2022 – \$810,312). There can be no assurance that any such events will occur or that the Company will ever become profitable.

Additional Financing

To date, the Company has no significant source of revenue to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing and may dilute the value of their investment.

Uncertainty of Additional Capital

The Company anticipates expending substantial funds to carry out the development, distribution and development of its products. The Company has been successful in raising funds from the issuance of shares (note 9). Therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern. However, there can be no assurances that the Company will be able to secure the necessary financing to enable it to continue as a going concern. The factors noted above indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. If the going concern basis is not appropriate, material adjustments may be necessary to the carrying amounts and/or classification of assets and liabilities.

2. Basis of Presentation

(a) Statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies set out below have been applied consistently to all periods presented.

(b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as detailed in the Company’s accounting policies.

(c) Functional and presentation currency

The Company’s functional currency, as determined by management, is the Canadian dollar. These financial statements are presented in Canadian dollars.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue 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:

Fair value of stock options, restricted share units and warrants

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options, and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options, the risk-free rate, and the volatility of the Company’s share price. In making these assumptions and estimates, management relies on historical market data.

Intangible Assets

Management regularly assesses the recoverability of intangible assets not ready for use at least annually and identifies the best methodology to reflect the fair value of these intangible assets. Management uses the replacement cost method to evaluate the fair value because the costs of these intangible assets were incurred in the past year and the cost to reperform the work is relatively stable.

Impairment test for goodwill and intangibles

Goodwill is assessed annually for impairment. To determine the impairment of goodwill, the management has applied discount rate to future cash flows to calculate the recoverable amounts of cash generating units.

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Notes to the Condensed Interim Consolidated Financial Statements (UNAUDITED)
(Expressed in Canadian Dollars, unless otherwise stated)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022

2. Basis of Presentation (Continued)

Determination of a Cash Generating Unit (CGU)

Management's judgment is required in determining the Company's CGUs for the impairment assessment of its goodwill and intangible assets. The CGUs have been determined considering level of operating activities and independent cash flows generated from groups of assets. Management determined the smallest identifiable group of assets that independently generates cash inflows and whose cash flow is largely independent of the cash inflows from other assets or groups of assets is the entire company.

Amortization of intangible assets

The management has considered an estimate and assumption of the useful life of the asset to be five years.

Business Combinations

The acquisition method of accounting is used to account for the purchase of subsidiaries by the Company. The cost of the acquisition is the aggregate of the consideration transferred, measured at the acquisition date, and the amount of any non-controlling interest in the acquiree. The company elects to measure the fair value of the purchase consideration and the identifiable intangible assets upon the business combination.

Share-Based Payments

In situations where equity instruments are issued to non-employees, shares issued are recognized at the fair value of services or goods received by the entity. In situations where some or all of the goods or services received by the entity as consideration cannot be estimated reliably, they are measured at the fair value of the equity instrument granted. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

Going Concern

The management has assessed the Company's ability to continue as a going concern and elects to use the going concern as the basis of accounting and financial statement preparation.

3. Significant Accounting Policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, and do not include all of the information required for annual audited consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

These condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended September 30, 2022, which have been prepared in accordance with IFRS. These condensed interim consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors on August 17, 2023.

3. Significant Accounting Policies (Continued)

Standards issued and effective for the year ended September 30, 2022:

Conceptual Framework

The Company adopted the revised Conceptual Framework for Financial Reporting ("revised conceptual framework"). The revised conceptual framework does not constitute a substantial revision from the previously effective guidance but does provide additional guidance on topics not previously covered such as presentation and disclosure. The adoption of the revised conceptual framework did not have a material impact on the condensed interim consolidated financial statements.

Definition of a Business

The Company adopted the IASB amendment regarding the definition of a business under IFRS 3 Business Combinations. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The adoption of the amendment to IFRS 3 did not have a material impact on the condensed interim consolidated financial statements.

4. Business Acquisition and Goodwill

(a) Acquisition of NetraMark Corp

On October 13, 2021, the Company acquired all of the issued and outstanding securities of NetraMark Corp., a privately held company, for a purchase price of \$13,138,942 paid as follows to shareholders of NetraMark:

- (i) The issuance of 6,148,325 common shares of the Company for a fair value of the acquisition date of \$1.80 per share or \$11,066,985; and
- (ii) \$2,071,957 in cash.

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3, Business Combinations on October 13, 2021, whereby the assets acquired, and the liabilities assumed were recorded at their fair values.

The excess of the consideration paid over the fair value of the identifiable assets (liabilities) net liabilities acquired was recognised as goodwill which primarily provides the Company to provide solutions to the pharmaceutical industry to help address the very low rate of success in getting candidate medicines, that make it into Phase I clinical trials, through to commercialization and approval by the regulatory bodies.

The transaction cost of the acquisition was \$534,203.

From the date of acquisition to September 30, 2022, this acquisition contributed \$113,031 in revenue for the Company.

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Notes to the Condensed Interim Consolidated Financial Statements (UNAUDITED)
(Expressed in Canadian Dollars, unless otherwise stated)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022

4. Business Acquisition and Goodwill (Continued)

The following represents the allocation of the purchase price:

Purchase Price Allocated to:	\$
Net tangible assets (liabilities)	(159,685)
Intangible assets – NetraMark technology	3,112,436
Goodwill	10,434,314
Deferred tax liability	(248,123)
Total Consideration Paid	13,138,942

(b) Goodwill

In accordance with the requirements of IAS 36, the CGU with goodwill was tested for impairment as at September 30, 2022. The Company calculated value in use (VIU) using a discounted cash flow method that projects future cash flows over a 5-year period. Revenue and cash flow assumptions were based on a combination of past results and expectations of future growth throughout a business cycle. These cash flows were then discounted using a weighted average cost of capital of 32%. Every 0.5% change in the discount rate will change the value in use by \$299,000. This test resulted in an impairment of \$4,028,953.

Goodwill	\$
Balance, September 30, 2021	-
Additions	10,434,314
Impairment	(4,028,953)
Balance, September 30, 2022	6,405,361
Impairment	-
Balance, June 30, 2023	6,405,361

5. Other Receivables

As at June 30, 2023, the Company holds \$41,226 (September 30, 2022 – \$245,181) in other receivables comprised of GST/HST receivables.

6. Short-Term Investments

On August 02, 2022, the company purchased a GIC for \$5,000 for 1 year at a rate of 1.5% per year.

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Notes to the Condensed Interim Consolidated Financial Statements (UNAUDITED)
(Expressed in Canadian Dollars, unless otherwise stated)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022

7. Intangible Assets

The business acquisition of NetraMark Corp. on October 13, 2021 (note 4), resulted in additions of \$3,112,436 of intangible assets which are being amortized using the straight-line method over five years.

The intangible asset acquired consists of the proprietary technology owned by NetraMark Corp.

Intangible Assets	Capitalized Development Costs \$	Acquired Technology \$	Total \$
Opening Balance, September 2021	1,582,321	-	1,582,321
Additions	152,494	-	152,494
Additions through business combinations	-	3,112,436	3,112,436
Impairment	(1,734,815)	-	(1,734,815)
Amortization	-	(596,905)	(596,905)
Balance, September 30, 2022	-	2,515,531	2,515,531
Amortization	-	(457,866)	(457,866)
Balance, June 30, 2023	-	2,057,665	2,057,665

8. Deferred Revenue

As at June 30, 2023, and September 30, 2022, the Company had received \$23,029 of deferred revenue as a result of signing contracts with customers. These contracts were signed at the end of June 2022 and the total for these contracts are \$110,958.

NetraMark Holdings Inc. (formerly Nurosene Health Inc.)
Notes to the Condensed Interim Consolidated Financial Statements (UNAUDITED)
(Expressed in Canadian Dollars, unless otherwise stated)
For the Three and Nine Months Ended June 30, 2023, and June 30, 2022

9. Shareholders' Equity

Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

Outstanding share capital

As at June 30, 2023, the Company's outstanding share capital is entirely composed of common shares.

		Number of Shares	Amount \$
Balance, September 30, 2021		33,771,611	11,754,122
Issuance of Common Shares at \$1.80 for NetraMark Purchase	(1)	6,148,325	11,066,985
Issuance of Common Shares at \$1.77 for services	(2)	215,311	381,100
November exercise of Warrants	(3)	10,000	9,000
November exercise of Options	(4)	21,140	74,133
December exercise of Warrants	(5)	116,102	183,458
March exercise of Warrants	(6)	7,500	5,165
Issuance of Common Shares	(7)	1,487,500	472,222
Issuance of Common Shares at \$0.35 for services	(8)	84,531	29,586
Issuance of Common Shares at \$0.44 for services	(9)	132,666	58,373
Issuance of Common Shares at \$0.32 for services	(10)	211,539	67,692
Issuance of Common Shares at \$0.25 for services	(11)	289,877	72,477
Exercise of Restricted Shares Units	(12)	25,000	75,000
Balance, September 30, 2022		42,521,102	24,249,313
Issuance of common shares at \$0.25, Net	(13)	2,910,000	390,210
Issuance of common shares at \$0.25, Net	(14)	299,000	34,260
Issuance of Common Shares at \$0.34 for services	(15)	211,960	72,066
Issuance of Common Shares at \$0.32 for services	(16)	500,000	160,000
Issuance of Common Shares at \$0.28, debt settlement	(17)	90,000	25,200
Issuance of Common Shares at \$0.18 for services	(18)	399,471	71,905
Issuance of Common Shares at \$0.17 for services	(19)	422,094	71,756
Issuance of Common Shares at \$0.33 for Services	(20)	214,949	70,934
Issuance of Common Shares at \$0.50, exercise of RSU	(21)	308,000	277,200
Issuance of Common Shares at \$0.35, exercise of warrants	(22)	100,000	35,000
Issuance of Common Shares at \$0.51 for Services	(23)	140,946	71,883
Issuance of common shares at \$0.37, Net	(24)	2,110,621	508,391
Issuance of common shares at \$0.47 for Services	(25)	152,569	71,708
Issuance of Common Shares at \$0.50 for Services	(26)	143,808	71,905
Issuance of Common Shares at \$0.385 for Services	(27)	186,992	71,993
Issuance of Common Shares at \$0.34, Exercise of RSU	(28)	70,000	63,000
Issuance of common shares at \$0.37, Net	(29)	1,351,351	300,090
Issuance of common shares at \$0.37, Net	(30)	700,850	124,261
Issuance of Common Shares at \$0.30, Exercise of RSU	(31)	300,000	270,000
Issuance of Common Shares at \$0.29 for Services	(32)	477,555	138,492
Balance, June 30, 2023		53,611,268	27,149,567

- 1) On October 13, 2021, the Company acquired NetraMark Corp. (note 4). As part of the consideration paid pursuant to the business acquisition, the Company issued 6,148,325 common shares valued at \$1.80 per share.

9. Shareholders' Equity (continued)

- 2) On October 13, 2021, the Company issued 215,311 shares valued at \$1.77 per share to consultants of the Company for services performed in relation to the NetraMark Corp. acquisition (note 4).
- 3) During the month of November 2021, 10,000 warrants were exercised at a price of \$0.90 to purchase 10,000 common shares for gross proceeds of \$9,000.
- 4) During the month of November 2021, 51,333 options were cashless exercised for 21,140 shares on their forfeiture at a price of \$1.55.
- 5) During the month of December 2021, 116,102 warrants were exercised at a price of \$0.90 to purchase 116,102 common shares for gross process of \$104,492.
- 6) During the month of March 2022, 7,500 warrants were exercised at a price of \$0.40 to purchase 7,500 common shares for gross proceeds of \$3,000.
- 7) On June 8, 2022, the Company issued 1,487,500 units of common shares valued at \$0.40 per unit through a private placement and 743,750 private placement warrants with an exercise price of \$0.60 per share expiring on June 8, 2024.
- 8) On July 29, 2022, the Company issued 84,531 common shares valued at \$0.35 per share to consultants of the Company for consulting services performed using the fair value of services.
- 9) On August 24, 2022, the Company issued 132,666 common shares valued at \$0.44 per share to consultants of the Company for consulting services performed.
- 10) On August 31, 2022, the Company issued 211,539 common shares valued at \$0.32 per share to consultants of the Company for consulting services performed.
- 11) On September 30, 2022, the Company issued 289,877 common shares valued at \$0.25 per share to consultants of the Company for consulting services performed.
- 12) On September 16, 2022, the Company issued 25,000 common shares valued at \$3.00 for exercise of restricted shares units.
- 13) On October 13, 2022, the Company issued 2,910,000 units of common shares valued at \$0.25 per unit through a private placement and 2,910,000 private placement warrants with an exercise price of \$0.40 per share expiring on October 13, 2025. \$286,056 was reclassified to warrants. The Company incurred \$51,234 of issue costs.
- 14) On October 31, 2022, the Company issued 299,000 units of common shares valued at \$0.25 per unit through a private placement and 299,000 private placement warrants with an exercise price of \$0.40 per share expiring on October 31, 2025. \$35,158 was reclassified to warrants. The Company incurred \$5,332 of issue costs.
- 15) On October 31, 2022, the Company issued 211,960 common shares valued at \$0.34 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 16) On October 31, the Company issued 500,000 common shares as bonus compensation at fair value of \$160,000.

9. Shareholders' Equity (continued)

- 17) On November 17, 2022, the company issued 90,000 common shares for the total compensation of \$25,200 for services, primarily composed of consulting fees.
- 18) On November 30, 2022, the Company issued 399,471 common shares valued at \$0.18 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 19) On December 31, 2022, the Company issued 422,094 common shares valued at \$0.17 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 20) On January 31, 2023, the Company issued 214,949 common shares valued at \$0.33 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 21) On February 17, 2023, the Company issued 308,000 common shares valued at \$0.33 per share for exercise of restricted shares units.
- 22) On February 28, 2023, the Company issued 100,000 common shares valued at \$0.50 per share for exercise of warrants.
- 23) On February 28, 2023, the Company issued 140,946 common shares valued at \$0.51 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 24) On March 24, 2023, the Company issued 2,110,621 units of common shares valued at \$0.37 per unit through a private placement and 1,055,310 private placement warrants with an exercise price of \$0.65 per share expiring on March 24, 2025. \$224,781 was reclassified to warrants. The Company incurred \$106,379 of issue costs.
- 25) On March 31, 2023, the Company issued 152,569 common shares valued at \$0.47 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 26) On April 30, 2023, the Company issued 143,808 common shares valued at \$0.50 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 27) On May 31, 2023, the Company issued 186,992 common shares valued at \$0.385 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.
- 28) On June 5, 2023, the Company issued 70,000 common shares valued at \$0.34 per share for exercise of restricted share units.
- 29) On June 9, 2023, the Company issued 1,351,351 units of common shares valued at \$0.37 per unit through a private placement and 1,351,351 private placement warrants with an exercise price of \$0.50 per share expiring on June 9, 2026. The Company incurred \$15,609 of share issue costs.

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9. Shareholders' Equity (continued)

- 30) On June 14, 2023, the Company issued 700,850 units of common shares valued at \$0.37 per unit through a private placement and 700,850 private placement warrants with an exercise price of \$0.50 per share expiring on June 9, 2026. The Company incurred \$42,024 of share issue costs.
- 31) On June 21, 2023, the Company issued 300,000 common shares valued at \$0.30 per share for exercise of restricted share units.
- 32) On June 30, 2023, the Company issued 477,555 common shares valued at \$0.29 per share to consultants of the Company for consulting services performed. The shares were valued to the Company's share price on the day of issuance.

Stock options

Under the Company's stock option plan (the "Plan"), 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 to exceed in the aggregate 15% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan 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. An option shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

	Number of Options	Weighted Average \$
Balance, September 30, 2021	2,831,000	1.20
Granted	3,475,000	0.76
Exercised	(51,333)	0.90
Forfeited	(2,733,667)	1.43
Balance, September 30, 2022	3,521,000	0.65
Granted	1,520,000	0.41
Forfeited	(20,000)	0.70
Balance, June 30, 2023	5,021,000	0.57

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9. Shareholders' Equity (continued)

Grant date	Exercise Price (\$)	Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable
June 08, 2021	0.90	2.95	210,000	210,000
June 09, 2021	0.90	2.95	676,000	676,000
September 6, 2021	1.69	8.19	70,000	70,000
April 13, 2022	0.70	3.79	150,000	75,000
April 22, 2022	0.70	3.81	875,000	437,500
July 13, 2022	0.40	4.04	500,000	187,500
July 18, 2022	0.52	4.05	200,000	75,000
July 18, 2022	0.70	4.05	20,000	7,500
July 20, 2022	0.41	4.06	350,000	131,250
August 08, 2022	0.40	4.13	100,000	37,500
August 15, 2022	0.41	4.13	350,000	131,250
October 31, 2022	0.35	4.34	300,000	75,000
November 22, 2022	0.35	4.40	200,000	50,000
February 27, 2023	0.50	1.67	50,000	6,250
March 17, 2023	0.50	1.96	50,000	6,250
June 1, 2023	0.40	1.72	300,000	300,000
June 19, 2023	0.38	4.98	600,000	-
June 28, 2023	0.38	4.98	20,000	-
	0.59	3.90	5,021,000	2,476,000

On June 8, 2021, the Company issued 260,000 options to consultants of the Company. The options have an exercise price of \$0.90 and expire on June 8, 2026. The options vest immediately upon issuance.

On June 9, 2021, the Company issued 1,780,000 options to various consultants and advisors of the Company. The options have an exercise price of \$0.90 and expire on June 9, 2026. The options have various vesting terms ranging from immediately to over three years.

On September 6, 2021, the Company issued 70,000 options to a consultant of the Company. The options have an exercise price of \$1.69 and expire on September 6, 2031. The options vest immediately upon issuance.

On April 13, 2022, the Company issued 150,000 options to a consultant of the Company. The options have an exercise price of \$0.70 and expire on April 13, 2027. The options vest quarterly over a period of two years.

On April 22, 2022, the Company issued 1,165,000 options to various consultants and advisors of the Company. The options have an exercise price of \$0.70 and expire on April 22, 2027. The options vest quarterly over a period of two years.

On July 13, 2022, the Company issued 500,000 options to various consultants and advisors of the Company. The options have an exercise price of \$0.40 and expire on July 13, 2027. The options vest quarterly over a period of two years.

On July 18, 2022, the Company issued 310,000 options to various consultants and advisors of the Company. The options have an exercise price of \$0.70 and \$0.52 expire on July 18, 2027. The options vest quarterly over a period of two years.

On July 20, 2022, the Company issued 350,000 options to a consultant of the Company. The options have an exercise price of \$0.41 and expire on July 20, 2027. The options vest quarterly over a period of two years.

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9. Shareholders' Equity (continued)

On August 08, 2022, the Company issued 100,000 options to a consultant of the Company. The options have an exercise price of \$0.40 and expire on August 08, 2024. The options vest quarterly over a period of two years.

On August 15, 2022, the Company issued 350,000 options to a consultant of the Company. The options have an exercise price of \$0.41 and expire on August 15, 2027. The options vest quarterly over a period of two years.

On October 31, 2022, the Company issued 300,000 options to various consultants and advisors of the Company a consultant of the Company. The options have an exercise price of \$0.35 and expire on October 31, 2027. The options vest quarterly over a period of two years.

On November 22, 2022, the Company issued 200,000 options to a consultant of the Company. The options have an exercise price of \$0.35 and expire on November 22, 2027. The options vest quarterly over a period of two years.

On February 27, 2023, the Company issued 50,000 options to a consultant of the Company. The options have an exercise price of \$0.50 and expire on February 27, 2025. The options vest quarterly over a period of two years.

On March 17, 2023, the Company issued 50,000 options to a consultant of the Company. The options have an exercise price of \$0.50 and expire on March 17, 2025. The options vest quarterly over a period of two years.

On June 01, 2023, the Company issued 300,000 options to an advisor of the Company. The options have an exercise price of \$0.40 and expire on June 01, 2025. The options vest immediately.

On June 19, 2023, the Company issued 600,000 options to various consultant of the Company. The options have an exercise price of \$0.38 and expire on June 19, 2028. The options vest quarterly over a period of two years.

On June 28, 2023, the Company issued 20,000 options to a consultant of the Company. The options have an exercise price of \$0.38 and expire on June 28, 2028. The options vest quarterly over a period of two years.

The fair value of the Company's stock options was estimated using the Black-Scholes option pricing model using the following assumption:

Volatility	100% - 125.99%
Risk-free interest rate	1.45% - 4.57%
Expected life (years)	2-5 years
Dividend yield	Nil
Forfeiture	Nil
Share price	\$0.32 - \$1.80

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the nine months ended June 30, 2023, was \$811,875 (2022 – \$860,873).

Restricted Share Units

During the nine months ended June 30, 2023, the Company issued 1,950,000 restricted share units to consultants of the Company (2022 – 1,050,000).

The compensation expense and charge to contributed surplus relating to the vesting of Restricted Share Units for the nine months ended June 30, 2023, was \$1,071,860 (2022 – \$352,014).

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9. Shareholders' Equity (continued)

Grant date	Number of units issued	Number of units outstanding	Number of units exercisable	Number of units exercised	Number of units forfeited
June 17, 2021	50,000	-	-	25,000	25,000
June 25, 2021	100,000	-	-	100,000	-
November 22, 2021	50,000	50,000	50,000	-	-
April 13, 2022	850,000	400,000	400,000	450,000	-
October 31, 2022	750,000	522,000	522,000	228,000	-
June 19, 2023	1,200,000	1,200,000	1,200,000	-	-
	3,000,000	2,172,000	2,172,000	803,000	25,000

Share Purchase Warrants

Each warrant entitles the holder to purchase one common share at a set price, at the option of the holder for a set period. The following table sets out information regarding warrants issued by the Company:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2022	1,252,020	0.69
Issuance of finders' warrants	158,830	0.40
Issuance of private placement warrants – tranche 1 (a)	2,910,000	0.40
Issuance of private placement warrants – tranche 2 (b)	299,000	0.35
Issuance of warrants for services (c)	1,260,000	0.35
Issuance of private placement warrants (d)	1,055,310	0.65
Issuance of private placement warrants – tranche 1 (e)	1,351,351	0.50
Issuance of private placement warrants – tranche 2 (f)	700,850	0.50
Warrants exercised during the period	(100,000)	0.40
Warrants expired during the period	(508,270)	0.40
Balance, June 30, 2023	8,379,091	0.47

During the nine-month ended June 30, 2023, the Company issued:

- 2,910,000 private placement warrants with an exercise price of \$0.40 per share expiring on 13 October 2025 valued at \$471,420.
- 299,000 private placement warrants with an exercise price of \$0.35 per share expiring on 31 October 2025 valued at \$66,378.
- 1,260,000 warrants issued for services with an exercise price of \$0.35 per share expiring on 31 October 2025 valued at \$287,280.
- 1,055,310 private placement warrants with an exercise price of \$0.65 per share expiring on 24 March 2025 valued at \$224,781.
- 1,351,351 private placement warrants with an exercise price of \$0.50 per share expiring on 9 June 2026 valued at \$291,892.
- 700,850 private placement warrants with an exercise price of \$0.50 per share expiring on 14 June 2026 valued at \$145,076.

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9. Shareholders' Equity (continued)

The fair value of the Company's private placement' warrants was estimated using the Black-Scholes option pricing model using the following assumption:

Volatility	100% - 125.74%
Risk-free interest rate	4.55%
Expected life (years)	2 years
Dividend yield	Nil
Forfeiture	Nil
Share price	\$0.31

As at June 30, 2023, 8,379,091 warrants were outstanding (2022 – 1,317,784).

10. Sales, General and Administrative

Item	Three Months Ended		Nine Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Advertising and Promotion	166,166	78,715	271,142	1,202,039
Consulting fees	279,093	517,613	1,178,817	1,992,063
Professional fees	48,562	10,837	219,425	373,541
Office and miscellaneous	370,898	176,969	866,907	493,235
Payroll	203,680	390,424	629,742	1,187,835
Total	1,068,399	1,174,557	3,166,033	5,248,714

Sales, general and administrative expenses consisted primarily of consulting and professional fees, payroll, and office expenses for the three and nine months ended June 30, 2023.

During the nine months ended June 30, 2023, the company issued 2,850,344 common shares for a total compensation of \$872,642 for services, primarily composed of consulting fees and advertising and promotion.

11. Related Party Transactions

Key management includes directors and officers of the Company.

A total of 2,850,344 common shares were issued to key management for a total compensation of \$872,642 during the nine months ended June 30, 2023 (2022: \$nil)

A total of \$420,500 in total cash compensation was issued to key management during the nine months ended June 30, 2023 (2022: \$898,263).

12. 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 in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, contributed surplus 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 offerings of common shares.

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.

13. Financial Instruments and Risk Management

Financial Instruments

The Company has classified its cash as fair value through profit and loss ("FVTPL"). Other receivables have been classified as loans and receivables. Accounts payable and accrued liabilities have been classified as other financial liabilities.

The carrying values of cash, other receivables and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 – inputs for assets and liabilities not based upon observable market data.

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Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company's cash is held at a major financial institution and lawyer's trust accounts. The Company's receivables are due from the CRA for HST/GST refunds. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

13. Financial Instruments and Risk Management (continued)

(b) Liquidity risk

The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. All of the Company's financial liabilities are due within one year.

14. Subsequent Events

On July 5, 2023, the Company entered into debt settlement agreements with certain consultants to settle \$240,000 in outstanding debt in exchange for the issuance of 600,000 common shares at a deemed price of \$0.40. These shares in connection to the debt settlement agreements were issued on July 13, 2023, and will be subject to a four-month statutory hold period plus a day from the date of the issuance.

On July 14, 2023, the Company issued 50,000 options to an advisor of the company. The options have an exercise price of \$0.38 and expire on July 14, 2028. The options vest quarterly over a period of two years.

On July 31, 2023, the Company issued 333,433 common shares for a total compensation of \$81,691 for services to various consultants of the company.