

**NETRAMARK HOLDINGS INC. (FORMERLY NUROSENE HEALTH INC.)**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND DECEMBER 31, 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	December 31, 2023 \$	September 30, 2023 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash		818,531	1,776,570
Prepaid Expenses		29,832	46,577
Other Receivables	4	56,887	81,729
Short Term Investments	5	5,000	5,000
<b>Total Current Assets</b>		<b>910,250</b>	<b>1,909,876</b>
<b>Total Assets</b>		<b>910,250</b>	<b>1,909,876</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Liabilities		282,657	801,381
Deferred Revenue	7	23,029	23,029
<b>Total Current Liabilities</b>		<b>305,686</b>	<b>824,410</b>
<b>Total Liabilities</b>		<b>305,686</b>	<b>824,410</b>
<b>Shareholders' Equity</b>			
Share Capital	8	29,065,063	28,815,881
Contributed Surplus	8	5,385,585	5,263,143
Accumulated Deficit		(33,846,084)	(32,993,558)
<b>Total Shareholders' Equity</b>		<b>604,564</b>	<b>1,085,466</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>910,250</b>	<b>1,909,876</b>

Nature of operations and going concern (*note 1*)  
Subsequent events (*note 13*)

Approved and authorized for issue by the Board of Directors on February 26, 2024.

"Kevin Taylor"  
Director

"Andrew Parks"  
Director

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 Loss and Comprehensive Loss (Unaudited)**  
**For the Three Months Ended December 31, 2023, and December 31, 2022**  
(Expressed in Canadian Dollars)

	Note	Three Months Ended	
		December 31, 2023	December 31, 2022
		\$	\$
<b>Revenue</b>			
Sales Revenue		300	778
<b>Total Revenue</b>		<b>300</b>	<b>778</b>
<b>Expenses</b>			
Sales, General and Administrative	9	870,297	1,313,467
Share-Based Compensation	8	122,442	619,257
Depreciation and Amortization	6	-	152,622
<b>Total Expenses</b>		<b>992,739</b>	<b>2,085,346</b>
Other Income – SR&ED Refund		139,913	-
<b>Net (Loss) and Comprehensive (Loss)</b>		<b>(852,526)</b>	<b>(2,084,568)</b>
Net (Loss) Per Share – Basic and Diluted		(0.01)	(0.05)
Weighted Average Number of Shares Outstanding – Basic and Diluted		65,873,331	45,849,844

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 Changes in Shareholders' Equity (Unaudited)**  
**For the Three Months Ended December 31, 2023, and December 31, 2022**  
(Expressed in Canadian Dollars)

	Note	Number of Shares	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
		#	\$	\$	\$	\$
<b>Balance, September 30, 2022</b>		<b>42,521,102</b>	<b>24,249,313</b>	<b>2,685,753</b>	<b>(18,824,486)</b>	<b>8,110,580</b>
Issuance of Common Shares, Private Placement, Net of Expenses		3,209,000	524,909	220,772	-	745,681
Issuance of Common Shares for Services		1,623,525	400,927	-	-	400,927
Share-Based Compensation		-	-	619,257	-	619,256
Issuance of Warrants for Services		-	-	287,280	-	287,280
Net Loss for The Period		-	-	-	(2,084,568)	(2,084,568)
<b>Balance, December 31, 2022</b>		<b>47,353,627</b>	<b>25,074,710</b>	<b>3,913,503</b>	<b>(20,909,054)</b>	<b>8,079,157</b>
<b>Balance, September 30, 2023</b>		<b>65,637,875</b>	<b>28,815,881</b>	<b>5,263,143</b>	<b>(32,993,558)</b>	<b>1,085,466</b>
Issuance of Common Share for Services	8	705,257	249,182	-	-	249,182
Share Based Compensation	8	-	-	122,618	-	122,618
Net Loss for The Period		-	-	-	(852,702)	(852,526)
<b>Balance, December 31, 2023</b>		<b>66,343,132</b>	<b>29,065,063</b>	<b>5,385,761</b>	<b>(33,846,260)</b>	<b>604,564</b>

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

**NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**  
**Condensed Interim Consolidated Statements of Cash Flow (Unaudited)**  
**For the Three Months Ended December 31, 2023, and December 31, 2022**  
(Expressed in Canadian dollars)

	Note	December 31, 2023 \$	December 31, 2022 \$
<b>Cash Flow from Operating Activities</b>			
Net Loss and Comprehensive Loss for the Period		<b>(852,526)</b>	(2,084,568)
Items not affecting cash:			
Issuance of Shares for Services	8,9	<b>249,182</b>	400,927
Issuance of Warrants for Services	8	-	287,280
Depreciation and Amortization		-	152,622
Share-Based Compensation	8	<b>122,442</b>	619,257
Changes in non-cash working capital items:			
Prepaid expenses		<b>16,745</b>	(4,490)
Accounts Receivables		-	8,432
Other Receivables		<b>24,842</b>	183,779
Accounts Payable and Accrued Liabilities		<b>(518,724)</b>	(124,955)
<b>Cash Flow used in Operating Activities</b>		<b>(958,039)</b>	(561,716)
<b>Cash Flow from Financing Activities</b>			
Proceeds from Issuance of Common Shares, Net	8	-	745,684
<b>Cash Flow from Financing Activities</b>		-	745,684
<b>Change in Cash</b>		<b>(958,039)</b>	183,968
Cash, Beginning of Period		<b>1,776,570</b>	10,092
<b>Cash, End of Period</b>		<b>818,531</b>	194,060

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 Months Ended December 31, 2023, and December 31, 2022**

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**1. Nature of Operations and Going Concern**

NetraMark Holdings 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 "NetraMark Holdings Inc." on February 1, 2023.

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.

*Going Concern*

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

*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 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 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 \$852,526 (2022 - \$2,084,568) during the three months ended December 31, 2023, and, as at that date, had working capital of \$604,564 (September 30, 2023 - \$1,085,466) and a cumulative deficit of \$33,846,084 (September 30, 2023 - \$32,993,558). 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.

**NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**For the Three Months Ended December 31, 2023, and December 31, 2022**

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**1. Nature of Operations and Going Concern (continued)**

*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. 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) Basis of consolidation*

These condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiaries. Subsidiaries are those entities the Company controls by having power to, directly or indirectly, govern their financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date control ceases. Intercompany transactions, balances, income and expenses, and profit and losses are eliminated upon consolidation.

*(d) Functional and presentation currency*

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

*(e) Use of estimates and judgements*

The preparation of consolidated 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.



**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 Months Ended December 31, 2023, and December 31, 2022**

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**2. Basis of Presentation (continued)**

*(e) Use of estimates and judgements (continued)*

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.

*Impairment test for goodwill and intangibles*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. 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.

*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*

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Intangible assets are carried at cost less any accumulated amortization on a straight-line basis over 5 years. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis. These assets are subject to impairment testing as described above.

*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.

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**For the Three Months Ended December 31, 2023, and December 31, 2022**

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**2. Basis of Presentation (continued)**

*(e) Use of estimates and judgements (continued)*

*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*

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due (see note 1).

**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, 2023, which have been prepared in accordance with IFRS. These condensed interim consolidated financial statements of NetraMark Holdings Inc. were authorized for issue in accordance with a resolution of the Board of Directors on February 26, 2024.

*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 consolidated financial statements.

**NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**For the Three Months Ended December 31, 2023, and December 31, 2022**

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**3. Significant Accounting Policies (continued)**

*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 consolidated financial statements.

**4. Other Receivables**

As at December 31, 2023, the Company holds \$56,887 (September, 2023 – \$81,729) in other receivables comprised of GST/HST receivables.

**5. Short-Term Investments**

On August 25, 2023, the company signed up for a GIC for \$5,000 for 1 year at a rate of 3% per year.

**6. Intangible Assets**

Intangible Assets	Acquired Technology	Total
	\$	\$
<b>Balance, September 30, 2022</b>	<b>2,515,531</b>	<b>2,515,531</b>
Amortization	(152,622)	(152,622)
<b>Balance, December 31, 2022</b>	<b>2,362,909</b>	<b>2,362,909</b>
Impairment	(1,905,043)	(1,905,043)
Amortization	<b>(457,866)</b>	<b>(457,866)</b>
<b>Balance, September 30, 2023</b>	-	-

During the year ended September 30, 2022, the Company has assessed the commercial feasibility of previously capitalized development costs of the mobile application as well as the intangible assets resulting from the business acquisition of NetraMark Corp. As a result of management's decision to discontinue development and support for the mobile application during the year ended September 30, 2022, the remaining balance of the Capitalized Development Costs associated with the mobile application was determined to be fully impaired.

During the year ended September 30, 2023, the Company has assessed the commercial feasibility of the intangible assets resulting from the business acquisition of NetraMark Corp. as part of the goodwill impairment test. As a result of this assessment, management has determined the balance of acquired intangible assets to be fully impaired.

**7. Deferred Revenue**

As at December 31, 2023 the Company held \$23,029 (2022 - \$23,029) as a result of signing contracts with customers.

**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 Months Ended December 31, 2023, and December 31, 2022**

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**8. Shareholders' Equity**

Authorized share capital

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

Outstanding share capital

As at December 31, 2023, the Company's outstanding share capital is entirely composed of common shares.

		Number of Shares #	Amount \$
<b>Balance, September 30, 2022</b>		<b>42,521,102</b>	<b>24,249,313</b>
Issuance of Common Shares for services	(a)	3,733,201	1,120,196
Issuance of Common Shares, Exercise of RSU	(c)	678,000	297,960
Issuance of Common Shares, Exercise of Warrants	(d)	443,750	229,657
Issuance of common shares, Private Placement, Net	(e)	17,371,822	2,673,355
Issuance of Common Shares, Debt Settlement	(f)	890,000	245,400
<b>Balance, September 30, 2023</b>		<b>65,637,875</b>	<b>28,815,881</b>
Issuance of Common Shares for services	(a)	705,257	249,182
<b>Balance, December 31, 2023</b>		<b>66,343,132</b>	<b>29,065,063</b>

(a) Shares issued for services

During the three months ended December 31, 2023, the Company issued 705,257 common shares to management, valued at share price on the date of issuance:

- On October 31, 2023, the Company issued 234,224 common shares valued at \$0.36 per share.
- On November 30, 2023, the Company issued 237,879 common shares valued at \$0.35 per share.
- On December 31, 2023, the Company issued 233,154 common shares valued at \$0.35 per share.

During the year ended September 30, 2023, the Company issued 3,733,201 common shares to management, valued at the share price on the date of issuance:

- On October 31, 2022, the Company issued 211,960 common shares valued at \$0.34 per share.
- On October 31, 2022, the Company issued 500,000 common shares valued at \$0.32 per share.
- On November 30, 2022, the Company issued 399,471 common shares valued at \$0.18 per share.
- On December 31, 2022, the Company issued 422,094 common shares valued at \$0.17 per share.
- On January 31, 2023, the Company issued 214,949 common shares valued at \$0.33 per share.
- On February 28, 2023, the Company issued 140,946 common shares valued at \$0.51 per share.
- On March 31, 2023, the Company issued 152,569 common shares valued at \$0.47 per share.
- On April 30, 2023, the Company issued 143,808 common shares valued at \$0.50 per share.
- On May 31, 2023, the Company issued 186,992 common shares valued at \$0.385 per share.
- On June 30, 2023, the Company issued 277,555 common shares valued at \$0.29 per share.
- On June 30, 2023, the company issued 200,000 common shares valued at \$0.29 per share.
- On July 31, 2023, the Company issued 333,433 common shares valued at \$0.245 per share.
- On August 31, 2023, the Company issued 319,296 common shares valued at \$0.26 per share.
- On September 30, 2023, the Company issued 230,128 common shares valued at \$0.36 per share.

**NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**  
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(Unaudited, Expressed in Canadian Dollars, unless otherwise stated)  
**For the Three Months Ended December 31, 2023, and December 31, 2022**

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

(b) 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.

A summary of changes in the Company's options for the three months ended December 31, 2023 and the years ended September 30, 2023 and 2022 is as follows:

	Number of options #	Weighted average exercise price \$
<b>Balance, September 30, 2022</b>	<b>3,521,000</b>	<b>0.65</b>
Granted	1,570,000	0.38
Forfeited	(20,000)	0.70
<b>Balance, September 30, 2023</b>	<b>5,071,000</b>	<b>0.57</b>
Granted	35,000	0.45
Forfeited	(25,000)	0.70
<b>Balance, December 31, 2023</b>	<b>5,081,000</b>	<b>0.57</b>

**NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**  
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(Unaudited, Expressed in Canadian Dollars, unless otherwise stated)  
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**8. Shareholders' Equity (continued)**

(b) Stock options (continued)

The following table summarizes information about the Company's stock options outstanding at December 31, 2023 and December 31, 2022:

Grant date	Exercise Price (\$)	December 31, 2023			December 31, 2022		
		Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable	Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable
June 8, 2021	0.90	2.41	210,000	210,000	3.41	210,000	210,000
June 9, 2021	0.90	2.44	676,000	676,000	3.44	676,000	370,000
September 6, 2021	1.69	7.69	70,000	70,000	8.69	70,000	70,000
April 13, 2022	0.70	3.28	150,000	150,000	4.28	150,000	37,500
April 22, 2022	0.70	3.31	850,000	776,250	4.31	875,000	218,750
July 13, 2022	0.40	3.53	500,000	500,000	4.53	500,000	62,500
July 18, 2022	0.52	3.55	200,000	200,000	4.55	200,000	25,000
July 18, 2022	0.70	3.55	20,000	12,500	4.55	40,000	5,000
July 20, 2022	0.41	3.55	350,000	350,000	4.55	350,000	43,750
August 8, 2022	0.40	3.62	100,000	62,500	4.62	100,000	12,500
August 15, 2022	0.41	3.62	350,000	350,000	4.62	350,000	43,750
October 31, 2022	0.35	3.84	300,000	300,000	4.84	300,000	-
November 22, 2022	0.35	3.90	200,000	200,000	4.90	200,000	-
February 27, 2023	0.50	1.16	50,000	18,750	-	-	-
March 17, 2023	0.50	1.21	50,000	18,750	-	-	-
June 1, 2023	0.40	1.42	300,000	300,000	-	-	-
June 19, 2023	0.38	4.47	600,000	150,000	-	-	-
June 28, 2023	0.38	4.47	20,000	5,000	-	-	-
July 14, 2023	0.38	4.47	50,000	12,500	-	-	-
November 2, 2023	0.45	4.89	35,000	-	-	-	-
	<b>0.57</b>	<b>3.52</b>	<b>5,081,000</b>	<b>3,586,000</b>	<b>4.13</b>	<b>4,021,000</b>	<b>1,098,750</b>

During the three months ended December 31, 2023, a share-based compensation expense of \$42,638 has been recognized in the interim consolidated statement of loss and comprehensive loss (2022 – \$253,356) in relation to the stock options.

During the three months ended December 31, 2023, the Company granted 35,000 stock options (September 30, 2023 – 1,570,000) with a weighted average fair value of \$0.21 per unit (September 2023 - \$0.20 per unit).

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

(b) Stock options (continued)

The fair value of the Company's stock options granted during the year were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>2023</b>	<b>2022</b>
Volatility	<b>75.25% - 123.67%</b>	100% - 116%
Risk-free interest rate	<b>3.26% - 4.26%</b>	1.45% - 3.30%
Expected life (years)	<b>2 – 5 years</b>	2 – 5 years
Dividend yield	<b>Nil</b>	Nil
Forfeiture	<b>Nil</b>	Nil
Share price	<b>\$0.21 - \$0.51</b>	\$0.35 - \$1.80
Exercise price	<b>\$0.35 - \$0.50</b>	\$0.41 - \$1.95

During the three months ended December 31, 2023, nil common shares were issued upon exercise of stock options (2022 - 21,140 common shares). Upon exercise of stock options, for the three months ended December 31, 2023, \$nil (2022 - \$74,133) was transferred from contributed surplus to share capital in the consolidated statements of changes in shareholders' equity.

(c) Restricted Share Units

A summary of changes in the Company's Restricted Share Units for the three months ended December 31, 2023 and the years ended September 30, 2023 and 2022 is as follows:

	<b>Number of Units Outstanding</b>	<b>Number of units Exercisable</b>
<b>Balance, September 30, 2022</b>	<b>900,000</b>	<b>111,250</b>
Granted	1,950,000	
Exercised	(678,000)	
<b>Balance, September 30, 2023</b>	<b>2,172,000</b>	<b>1,122,000</b>
<b>Balance, December 31, 2023</b>	<b>2,172,000</b>	<b>1,272,000</b>

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

(d) 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.

A summary of changes in the Company's warrants for the three months ended December 31, 2023, and the years ended September 30, 2023 and 2022 is as follows:

	Number of warrants #	Weighted average exercise price \$
<b>Balance, September 30, 2022</b>	<b>1,252,020</b>	<b>0.69</b>
Granted	18,275,341	0.39
Exercised	(443,750)	0.42
Expired	(508,270)	0.83
<b>Balance, September 30, 2023</b>	<b>18,575,341</b>	<b>0.40</b>
<b>Balance, December 31, 2023</b>	<b>18,575,341</b>	<b>0.40</b>

The following table summarizes information about the Company's warrants outstanding at December 31, 2023 and 2022:

Grant date	Exercise Price (\$)	December 31, 2023			December 31, 2022		
		Weighted average remaining life (years)	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
June 8, 2021	0.90	-	-	-	0.44	432,170	432,170
June 8, 2022	0.60	0.44	681,250	681,250	1.44	743,750	743,750
October 13, 2022	0.40	1.79	2,766,650	2,766,650	2.79	3,047,900	3,047,900
October 31, 2022	0.35	1.84	1,160,000	1,160,000	2.84	1,260,000	1,260,000
October 31, 2022	0.40	1.84	319,930	319,930	2.84	319,930	319,930
March 24, 2023	0.65	1.23	1,055,310	1,055,310	-	-	-
June 9, 2023	0.50	2.44	1,351,351	1,351,351	-	-	-
June 14, 2023	0.50	2.45	700,850	700,850	-	-	-
September 19, 2023	0.35	1.72	10,540,000	10,540,000	-	-	-
	<b>0.40</b>	<b>1.59</b>	<b>18,575,341</b>	<b>18,575,341</b>	<b>2.10</b>	<b>5,803,750</b>	<b>5,803,750</b>



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

(d) Share Purchase Warrants (continued)

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

	<b>2023</b>	<b>2022</b>
Volatility	<b>77.35% - 138.62%</b>	100% - 102%
Risk-free interest rate	<b>3.42% - 4.91%</b>	3.1%
Expected life (years)	<b>2-3 years</b>	2 years
Dividend yield	<b>Nil</b>	Nil
Forfeiture	<b>Nil</b>	Nil
Share price	<b>\$0.2- \$0.33</b>	\$0.36

(e) Private Placements

During the year ended September 30, 2023

Between October 13 to October 31, 2022, the Company issued 3,209,000 units of common shares valued at \$0.25 per unit through a private placement and 3,209,000 private placement warrants with an exercise price of \$0.40 per share expiring 3 years from the issuance date. In connection with the private placements, the Company issued 158,830 broker warrants with the same terms as the private placement warrants, valued at \$17,277 and incurred total issuance cost of \$73,845. Of the total net proceeds, \$220,772 was reclassified to Contributed Surplus.

On March 24, 2023, the Company issued 1,981,866 units of common shares valued at \$0.37 per unit through a private placement and 990,933 private placement warrants with an exercise price of \$0.65 per share expiring on March 24, 2025. In connection with the private placement, the Company issued 128,754 broker units which were each comprised of one common share of the Company and one-half of one common share purchase warrant. The warrants included in the broker units have the same terms as the private placement warrants. The broker warrants were valued at \$47,639 and the Company incurred a total issuance cost of \$106,379. Of the total net proceeds, \$165,648 was reclassified to Contributed Surplus.

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

(e) Private Placements (continued)

Between June 9 and June 14, 2023, the Company issued 2,006,351 units of common shares valued at \$0.37 per unit through a private placement and 2,006,351 private placement warrants with an exercise price of \$0.50 per share expiring 3 years from the issuance date. In connection with the private placement, the Company issued 45,850 broker units which were each comprised of one common share of the Company and one common share purchase warrant. The warrants included in the broker units have the same terms as the private placement warrants. The broker warrants were valued at \$16,965 and the Company incurred a total issuance cost of \$57,630. Of the total net proceeds, \$204,329 was reclassified to Contributed Surplus.

On September 19, 2023, the Company issued 10,000,000 units of common shares valued at \$0.20 per unit through a private placement and 10,000,000 private placement warrants with an exercise price of \$0.35 per share expiring on September 19, 2025. In connection with the private placement, the Company issued 540,000 broker warrants with the same terms as the private placement warrants, valued at \$108,753, and incurred total issuance cost of \$258,781. Of the total net proceeds, \$707,786 was reclassified to Contributed Surplus.

(f) Debt Settlements

During the year ended September 30, 2023, the Company issued 890,000 common shares and paid cash of \$42,952 to settle debts of \$398,552. The shares issued were valued using the Company's stock price at the date of share issuance. The settlement of debts resulted in a gain on settlement of \$110,200.

**9. Sales, General and Administrative**

Item	Three Months Ended	
	December 31, 2023	December 31, 2022
	\$	\$
Advertising and Promotion	57,704	63,965
Consulting fees	432,236	668,254
Professional fees	33,616	113,025
Office and miscellaneous	132,349	246,452
Payroll	214,392	221,771
<b>Total</b>	<b>870,297</b>	<b>1,313,467</b>

Sales, general and administrative expenses consisted primarily of office expenses, consulting fees and payroll expenses during the three months ended December 31, 2023. The company issued 705,257 common shares for a total compensation of \$249,182 for services (2022 - \$503,008).

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**10. Related Party Transactions**

Key management includes directors and officers of the Company.

A total of 705,257 common shares were issued to key management for a total compensation of \$249,182 during the three months ended December 31, 2023 (2022 - \$215,728).

A total of \$204,500 in total cash compensation was issued to key management during the three months ended December 31, 2023 (2022 - \$164,000).

**11. 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.

**12. 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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**12. Financial Instruments and Risk Management (Continued)**

*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.

(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.

**13. Subsequent Events**

Subsequent to the year-end, the Company has issued shares for consulting services as follows:

On January 31, 2024, the Company issued 211,316 common shares for a total compensation of \$82,413 for services to various consultants of the company.