



**NETRAMARK HOLDINGS INC. (FORMERLY NUROSENE HEALTH INC.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024**

**(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, 2024 \$	September 30, 2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		345,976	1,776,570
Accounts receivable	4	109,520	-
Prepaid expenses		15,802	46,577
Other receivables	4	46,682	81,729
Short term investments	5	5,000	5,000
<b>Total current assets</b>		<b>522,980</b>	<b>1,909,876</b>
<b>Total assets</b>		<b>522,980</b>	<b>1,909,876</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		214,800	801,381
Deferred revenue	7	23,029	23,029
<b>Total current liabilities</b>		<b>237,829</b>	<b>824,410</b>
<b>Total liabilities</b>		<b>237,829</b>	<b>824,410</b>
<b>Shareholders' equity</b>			
Share capital	8	30,222,455	28,815,881
Contributed surplus	8	5,529,777	5,263,143
Accumulated deficit		(35,467,081)	(32,993,558)
<b>Total shareholders' equity</b>		<b>285,151</b>	<b>1,085,466</b>
<b>Total liabilities and shareholders' equity</b>		<b>522,980</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 August 12, 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 and Nine Months Ended June 30, 2024**  
(Expressed in Canadian Dollars)

	Note	For the three months ended		For the nine months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		\$	\$	\$	\$
<b>Revenue</b>					
Sales revenue		123,092	97	344,949	89,201
<b>Total Revenue</b>		<b>123,092</b>	<b>97</b>	<b>344,949</b>	<b>89,201</b>
<b>Expenses:</b>					
Sales, general and administrative	9	773,937	1,068,399	2,496,466	3,166,033
Share-based compensation	8,10	254,105	680,235	461,919	1,883,735
Depreciation and amortization	6	-	152,621	-	457,866
<b>Total expenses</b>		<b>1,028,042</b>	<b>1,901,255</b>	<b>2,958,385</b>	<b>5,507,634</b>
Other income – SR&ED refund		-	-	139,913	-
<b>Net loss and comprehensive loss</b>		<b>(904,950)</b>	<b>(1,901,158)</b>	<b>(2,473,523)</b>	<b>(5,418,433)</b>
Net loss per share – basic and diluted		(0.01)	(0.04)	(0.04)	(0.11)
Weighted average number of shares outstanding – basic and diluted		67,615,529	51,022,734	66,685,105	48,245,211

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 Nine Months Ended June 30, 2024**  
(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	8	7,371,822	1,357,212	764,704	-	2,121,916
Issuance of common shares for services	8	2,940,344	897,842	-	-	897,842
Issuance of common shares for exercise of RSU	8	678,000	610,200	(610,200)	-	-
Issuance of warrants for services	8	-	-	287,280	-	287,280
Issuance of common shares for exercise of warrants	8	100,000	35,000	-	-	35,000
Share-based compensation	8,10	-	-	1,883,735	-	1,883,735
Net loss for the period		-	-	-	(5,418,433)	(5,418,433)
<b>Balance, June 30, 2023</b>		<b>53,611,268</b>	<b>27,149,567</b>	<b>5,011,272</b>	<b>(24,242,919)</b>	<b>7,917,920</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 shares for services	8	2,264,240	711,289	-	-	711,289
Issuance of common shares for exercise of warrants	8	1,395,000	695,285	(195,285)	-	500,000
Share-based compensation	8,10	-	-	461,919	-	461,919
Net loss for the period		-	-	-	(2,473,523)	(2,473,523)
<b>Balance, June 30, 2024</b>		<b>69,297,115</b>	<b>30,222,455</b>	<b>5,529,777</b>	<b>(35,467,081)</b>	<b>285,151</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 Nine Months Ended June 30, 2024**  
(Expressed in Canadian dollars)

<b>For the nine months ending:</b>	<b>Note</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>			
Net loss and comprehensive loss for the period		<b>(2,473,523)</b>	(5,418,433)
Items not affecting cash:			
Issuance of shares for services	8,10	<b>711,289</b>	897,842
Issuance of warrants for services	8	-	287,280
Depreciation and amortization	6	-	457,866
Share-based compensation	8	<b>461,919</b>	1,883,735
Changes in non-cash working capital items:			
Prepaid expenses		<b>30,775</b>	(71,554)
Accounts receivables	4	<b>(109,520)</b>	8,432
Other receivables	4	<b>35,047</b>	203,955
Accounts payable and accrued liabilities		<b>(586,581)</b>	(82,220)
<b>Cash flow used in operating activities</b>		<b>(1,930,594)</b>	(1,833,097)
<b>Cash flow from financing activities</b>			
Proceeds from issuance of common Shares, net of expenses	8	-	2,121,916
Issuance of common shares on exercise of warrants	8	<b>500,000</b>	35,000
<b>Cash flow from financing activities</b>		<b>500,000</b>	2,156,916
<b>Change in cash</b>		<b>(1,430,594)</b>	323,819
Cash, beginning of period		<b>1,776,570</b>	10,092
<b>Cash, end of period</b>		<b>345,976</b>	333,911

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, 2024**

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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 shares trade on the Canadian Securities Exchange (the "CSE") under the trading symbol "AIAI". 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 on terms favourable to the Company or to ultimately attain profitable 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 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 \$2,473,523 during the nine months ended June 30, 2024 (2023 - \$5,418,433), and, as at that date, had working capital of \$285,151 (September 30, 2023 - \$1,085,466) and a cumulative deficit of \$35,467,081 (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 begun to generate revenues, however, these revenues have not been able to fund all of its operational needs and will require significant additional financing to continue its operations. The Company has been successful in raising funds from the issuance of shares (note 8). 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 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**  
(Unaudited, Expressed in Canadian Dollars, unless otherwise stated)  
**For the Three and Nine Months Ended June 30, 2024**

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**2. Basis of Presentation**

*(a) Statement of compliance*

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed interim consolidated financial statements include all necessary disclosures required from interim financial statements, but do not include all disclosures required for annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended September 30, 2023.

*(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.

**3. Significant Accounting Policies**

These condensed interim consolidated financial statements have been prepared following the same principles and methods of computation as outlined in the Company’s consolidated financial statements for the year ended September 30, 2023. A description of the accounting standards and interpretations that have been adopted by the Company can be found in the notes of the annual consolidated financial statements for the year ended September 30, 2023.

The preparation of the condensed interim consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. These condensed interim consolidated financial statements include estimates, which by their nature, are uncertain. These assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. As such, actual results may differ from estimates and the effect of such differences may be material. Significant estimates and judgements used in the preparation of these condensed consolidated interim financial statements remained unchanged from those disclosed in the Company’s annual consolidated financial statements for the year ended September 30, 2023. 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 August 12, 2024.



**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, 2024**

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**4. Accounts Receivable and Other Receivables**

As at June 30, 2024, the Company has \$109,520 (September 30, 2023 – \$nil) in accounts receivable, and there is \$nil (September 30, 2023 – \$nil) in overdue accounts that do not have an associated provision.

As at June 30, 2024, the Company holds \$46,682 (September 30, 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 one 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	(457,866)	(457,866)
<b>Balance, June 30, 2023</b>	<b>2,057,665</b>	<b>2,057,665</b>
Impairment	(1,905,043)	(1,905,043)
Amortization	(152,622)	(152,622)
<b>Balance, September 30, 2023</b>	-	-
<b>Balance, June 30, 2024</b>	-	-

During the year ended September 30, 2023, the Company assessed the commercial feasibility of the intangible assets resulting from the business acquisition of NetraMark Corp. as part of the goodwill impairment test and fully impaired the asset value.

**7. Deferred Revenue**

At times, the Company may take payment in advance for services to be rendered. These amounts are held and recognized as revenue as the services are rendered.

	June 30, 2024	September 30, 2023
<b>Deferred revenue</b>	<b>\$</b>	<b>\$</b>
Opening balance	23,029	23,029
<b>Balance, June 30, 2024</b>	<b>23,029</b>	<b>23,029</b>
Current portion	23,029	23,029
Long term portion	-	-
<b>Total</b>	<b>23,029</b>	<b>23,029</b>

The deferred revenue of \$23,029 as of June 30, 2024, is expected to be recognized within one 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, 2024**

**8. Shareholders' Equity**

Authorized share capital

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

Outstanding share capital

As at June 30, 2024, 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)	2,264,240	711,289
Issuance of Common Shares, Exercise of Warrants	(d)	1,395,000	695,285
<b>Balance, June 30, 2024</b>		<b>69,297,115</b>	<b>30,222,455</b>

(a) Shares issued for services

During the nine months ended June 30, 2024, the Company issued 2,264,240 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.
- On January 31, 2024, the Company issued 211,316 common shares valued at \$0.39 per share.
- On February 29, 2024, the Company issued 272,747 common shares valued at \$0.305 per share.
- On March 31, 2024, the Company issued 326,449 common shares valued at \$0.255 per share.
- On April 30, 2024, the Company issued 225,711 common shares valued at \$0.315 per share.
- On May 31, 2024, the Company issued 272,953 common shares valued at \$0.26 per share.
- On June 30, 2024, the Company issued 248,907 common shares valued at \$0.285 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.

**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, 2024**

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

- 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.

(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 ten 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 nine months ended June 30, 2024, and the year ended September 30, 2023, 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	1,410,000	0.35
Forfeited	(25,000)	0.70
<b>Balance, June 30, 2024</b>	<b>6,456,000</b>	<b>0.52</b>

**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, 2024**

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

The following table summarizes information about the Company's stock options outstanding at June 30, 2024:

<b>Grant date</b>	<b>Exercise Price (\$)</b>	<b>Weighted average remaining life (years)</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>
June 8, 2021	0.90	1.91	210,000	210,000
June 9, 2021	0.90	1.94	676,000	676,000
September 6, 2021	1.69	7.19	70,000	70,000
April 13, 2022	0.70	2.79	150,000	150,000
April 22, 2022	0.70	2.81	850,000	850,000
July 13, 2022	0.40	3.03	500,000	500,000
July 18, 2022	0.52	3.05	200,000	200,000
July 18, 2022	0.70	3.05	20,000	17,500
July 20, 2022	0.41	3.05	350,000	350,000
August 8, 2022	0.40	3.13	100,000	87,500
August 15, 2022	0.41	3.13	350,000	350,000
October 31, 2022	0.35	3.34	300,000	300,000
November 22, 2022	0.35	3.40	200,000	200,000
February 27, 2023	0.50	0.66	50,000	31,250
March 17, 2023	0.50	0.71	50,000	31,250
June 1, 2023	0.40	0.92	300,000	300,000
June 19, 2023	0.38	3.97	600,000	300,000
June 28, 2023	0.38	3.97	20,000	10,000
July 14, 2023	0.38	3.97	50,000	25,000
November 2, 2023	0.45	4.40	35,000	8,750
March 26, 2024	0.35	4.74	50,000	6,250
June 11, 2024	0.35	4.95	1,325,000	662,500
<b>Total</b>	<b>0.55</b>	<b>3.19</b>	<b>6,456,000</b>	<b>5,336,000</b>

During the nine months ended June 30, 2024, the Company granted 1,410,000 stock options (year ended September 30, 2023 – 1,570,000) with a weighted average fair value of \$0.35 per unit (September 30, 2023 – \$0.20 per unit).

During the nine months ended June 30, 2024, a share-based compensation expense of \$217,028 has been recognized in the condensed interim consolidated statement of loss and comprehensive loss (2023 – \$811,875) in relation to the stock options.

**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, 2024**

**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>June 30, 2024</b>	September 30, 2023
Volatility	<b>79.56% - 80.11%</b>	75.25% - 123.67%
Risk-free interest rate	<b>3.47% - 3.94%</b>	3.26% - 4.26%
Expected life (years)	<b>5 years</b>	2 - 5 years
Dividend yield	<b>Nil</b>	Nil
Forfeiture	<b>Nil</b>	Nil
Share price	<b>\$0.28 - \$0.35</b>	\$0.21 - \$0.51
Exercise price	<b>\$0.35 - \$0.45</b>	\$0.35 - \$0.50

During the nine months ended June 30, 2024, no common shares were issued upon exercise of stock options (2023 – nil). Upon exercise of stock options, for the nine months ended June 30, 2024, \$nil (2023 – \$nil) 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 nine months ended June 30, 2024, and the year ended September 30, 2023, 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>
Granted	455,000	-
<b>Balance, June 30, 2024</b>	<b>2,627,000</b>	<b>1,799,500</b>

During the nine months ended June 30, 2024, the Company granted 455,000 RSU's to various consultants of the Company (year ended September 30, 2023 – 1,950,000) with 50% vesting immediately and 50% vesting twelve months after the date of issuance, and a fair value of \$0.285 per unit (year ending September 30, 2023 – \$0.30 per unit).

During the nine months ended June 30, 2024, a share-based compensation expense of \$244,891 has been recognized in the condensed interim consolidated statement of loss and comprehensive loss (2023 – \$1,071,860) in relation to the RSU's.

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.

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

A summary of changes in the Company's warrants for the nine months ended June 30, 2024, and the year ended September 30, 2023, 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>
Exercised	(1,395,000)	0.36
Expired	(681,250)	0.60
<b>Balance, June 30, 2024</b>	<b>16,499,091</b>	<b>0.40</b>

The following table summarizes information about the Company's warrants outstanding at June 30, 2024:

Grant date	Exercise Price (\$)	Weighted average remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
October 13, 2022	0.40	1.29	2,531,650	2,531,650
October 31, 2022	0.40	1.34	319,930	319,930
March 24, 2023	0.65	0.73	1,055,310	1,055,310
June 9, 2023	0.50	1.94	1,351,351	1,351,351
June 14, 2023	0.50	1.96	700,850	700,850
September 19, 2023	0.35	1.22	10,540,000	10,540,000
<b>Total</b>	<b>0.40</b>	<b>1.29</b>	<b>16,499,091</b>	<b>16,499,091</b>

(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:

	2023
Volatility	77.35% - 138.62%
Risk-free interest rate	3.42% - 4.91%
Expected life (years)	2 - 3 years
Dividend yield	Nil
Forfeiture	Nil
Share price	\$0.20 - \$0.33

(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 costs of \$73,845. Of the total net proceeds, \$220,772 was reclassified to Contributed Surplus.

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

(e) Private Placements (continued)

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 total issuance costs of \$106,379. Of the total net proceeds, \$165,648 was reclassified to Contributed Surplus.

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 three 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 total issuance costs 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 costs 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**

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	\$	\$	\$	\$
Advertising and Promotion	25,618	166,166	43,778	271,142
Consulting fees	397,848	279,093	1,236,113	1,178,817
Professional fees	49,285	48,562	150,785	219,425
Office and miscellaneous	68,101	370,898	362,939	866,907
Payroll	233,085	203,680	702,851	629,742
<b>Total</b>	<b>773,937</b>	<b>1,068,399</b>	<b>2,496,466</b>	<b>3,166,033</b>

During the three and nine months ended June 30, 2024, the company issued 748,471 and 2,264,240 common shares, respectively, for a total compensation of \$213,261 and \$711,289, respectively, for services (2023 - \$112,444 and \$872,452, respectively).

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**10. Related Party Transactions**

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

	Three Months Ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	\$	\$	\$	\$
Cash based compensation	<b>139,500</b>	129,500	<b>483,500</b>	420,500
Share-based compensation <sup>(1)</sup>	<b>213,261</b>	282,390	<b>711,289</b>	872,642
Share-based compensation <sup>(2)</sup>	<b>198,150</b>	221,900	<b>328,249</b>	648,315
<b>Total</b>	<b>550,912</b>	633,789	<b>1,523,038</b>	1,941,457

- (1) A total of 2,264,240 common shares were issued to key management in lieu of cash for a total compensation of \$711,289 during the nine months ended June 30, 2024 (June 30, 2023 – 2,850,344 shares for \$872,642).
- (2) A total of \$328,249 was recorded as share-based compensation relating to the issuance of options and RSU's to various directors and officers of the Company during the nine months ended June 30, 2024 (June 30, 2023 – \$648,315)

**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, accounts receivable, other receivables and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.



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

*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

*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. 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**

On July 31 2024, the Company issued 287,598 common shares at a price of \$0.25 for a total compensation of \$71,900 for services to various consultants of the Company.