DIAGNAMED HOLDINGS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022 AND PERIOD FROM OCTOBER 5, 2020 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Diagnamed Holdings Corp

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Diagnamed Holdings Corp. (the Company), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended September 30, 2022 and for the period from October 5, 2020 (date of incorporation) to September 30, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021 and its financial performance and its cash flows for the year ended September 30, 2022 and for the period from October 5, 2020 (date of incorporation) to September 30, 2021, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates the Company incurred a comprehensive loss of $1,132,434 during the year ended September 30, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
January 26, 2023

Diagnamed Holdings Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	September 30, 2022	September 30, 2021
ASSETS		
Current assets		
Cash	**$ 1,570,227**	$ 2,357,807
Accounts receivable	**45,341**	32,173
Total assets	**$ 1,615,568**	$ 2,389,980
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 369,512**	$ 150,243
Total liabilities	**369,512**	150,243
Shareholders' Equity		
Share capital (note 6)	**3,174,401**	3,112,201
Contributed surplus	**150,888**	12,135
Warrants and special warrants (note 8)	**1,001,017**	1,063,217
Deficit	**(3,080,250)**	(1,947,816)
Total equity	**1,246,056**	2,239,737
Total liabilities and shareholders' equity	**$ 1,615,568**	$ 2,389,980

Nature of operations and going concern (note 1)
Subsequent event (note 16)

Approved on behalf of the Board:

"Fabio Chianelli"
Director

"Elyssia Patterson"
Director

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

Diagnamed Holdings Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended September 30, 2022	Period from October 5, 2020 to September 30, 2021
Expenses		
Research (notes 12 and 14)	$ 562,859	$ 201,771
Office and general	18,061	1,323
Consulting fees (note 12)	175,000	429,000
Professional fees (note 12(a)(i))	216,306	35,519
Stock-based compensation (notes 7 and 12)	138,753	-
License fee	24,714	16,055
Foreign exchange (gain)	(3,259)	-
RTO transaction cost (note 4)		1,264,148
Net loss and comprehensive loss for the year/period	$ 1,132,434	$ 1,947,816
Basic and diluted net loss for the year/period (note 9)	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	76,058,490	55,768,041

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

Diagnamed Holdings Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended September 30, 2022	Period from October 5, 2020 to September 30, 2021
Operating activities		
Net loss for the year/period	$ (1,132,434)	$ (1,947,816)
Adjustments for:		
Stock based compensation (note 7)	138,753	-
RTO transaction cost (note 4)	-	1,264,148
Non-cash working capital items:		
Accounts receivable	(13,168)	(32,173)
Accounts payable and accrued liabilities	219,269	150,243
Net cash used in operating activities	(787,580)	(565,598)
Investing activities		
Cash obtained from RTO (note 4)		34,069
Net cash provided by investing activities		34,069
Financing activities		
Shares issued from private placement, net of costs	-	2,889,336
Net cash provided by financing activities	-	2,889,336
Net change in cash	(787,580)	2,357,807
Cash, beginning of year/period	2,357,807	-
Cash, end of year/period	$ 1,570,227	$ 2,357,807

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

Diagnamed Holdings Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	**Amount**	**Warrants and special warrants**	**Contributed Surplus**	**Deficit**	**Total**
Balance, October 5, 2020 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Share issuance (note 6)	73,250,085	2,877,201	-	12,135	-	2,889,336
Elimination of Diagnamed shares	(73,250,085)	-	-	-	-	-
Issuance of shares on RTO transaction (note 4)	73,250,085	-	-	-	-	-
Deemed conversion for RTO transaction (note 4)	2,350,000	235,000	1,063,217	-	-	1,298,217
Net loss for the period	-	-	-	-	(1,947,816)	(1,947,816)
Balance, September 30, 2021	**75,600,085**	**$ 3,112,201**	**$ 1,063,217**	**$ 12,135**	**$ (1,947,816)**	**$ 2,239,737**
Share issuance on conversion of special warrants	622,000	62,200	(62,200)	-	-	-
Stock based compensation (note 7)	-	-	-	138,753	-	138,753
Net loss for the year	-	-	-	-	(1,132,434)	(1,132,434)
Balance, September 30, 2022	**76,222,085**	**$ 3,174,401**	**$ 1,001,017**	**$ 150,888**	**$ (3,080,250)**	**$ 1,246,056**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Diagnamed Inc. ("Diagnamed") was incorporated under the Business Corporations Act (Ontario) on October 5, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, ON. M5C 1P1, Canada.

Diagnamed is a Canadian Biotechnology company dedicated to the development and commercialization of digital therapeutics for people who suffer from mental health and neurological disorders globally.

Diagnamed Holdings Corp. (formerly Wolf Acquisitions 2.0 Corp. ("Wolf" or "combined entity") was incorporated under the Business Corporations Act (British Columbia) on April 16, 2021.

On August 11, 2021, combined entity issued 73,250,085 common shares as consideration for acquisition of the 73,250,085 outstanding common shares in the capital of Diagnamed. The Acquisition was accounted for as a reverse takeover ("RTO") whereby Diagnamed was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Diagnamed. After the RTO, the combined entity of Diagnamed Holdings Corp. and Diagnamed is referred to also as "the Company" in these consolidated financial statements. The fiscal year end of the Company is September 30. On November 8, 2022, the Company's common shares were approved for listing on the Canadian Securities Exchange (the "CSE") and commenced trading under the trading symbol "DMED".

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the year ended September 30, 2022, the Company reported a net loss of $(1,132,434). The Company has cash balance of $1,570,227, however the Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. There is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that may cast significant doubt regarding the going concern assumption.

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

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issuance on the date of Board of Directors' approval of January 26, 2023.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (Continued)

Functional currency and presentation currency

These consolidated financial statements are presented in Canadian (“CDN”) dollars, except as otherwise noted, which is the functional currency of the Company.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary.

The subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiary acquired or disposed of during the period presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company’s accounting policies and its standards of financial disclosure set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these financial statements, unless otherwise stated.

Financial Assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has measured cash at FVTPL and accounts receivables at amortized cost.

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statement of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company does not measure any financial assets at FVPL.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Assets (continued)

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statement of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Classification of financial instruments

The following is a summary of significant categories of financial instruments outstanding at September 30, 2022:

Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Carrying value and fair value of financial assets and liabilities are approximately equal.

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Stock based Payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based payments recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets consist of costs incurred to acquire patents, unpatented technology and inprogress research and development programs. Development expenditures are capitalized as intangible assets only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable to the Company and the Company has sufficient resources to complete the development and use or sell the asset. Otherwise, it is recognized in the consolidated statements of comprehensive loss as incurred. Research costs are expensed in the period that they are incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Impairment of long-lived assets and intangible assets

Long-lived assets and intangible assets are reviewed for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss equal to the amount by which the carrying amount exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

The estimated useful lives, residual values, and amortization methods are reviewed at each year end or more frequently if events or changes in circumstances indicate potential impairment, and any changes in estimates are accounted for prospectively.

Financing Costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs. Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed.

Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Loss Per Share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All of the escrow shares are considered contingently returnable until the Company completes a qualifying transaction and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation.

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Summary of Accounting Estimates and Assumptions

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Accounting Estimates and Assumptions (continued)

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Share-based payments

The fair value of stock-based compensation and warrants are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

Going concern

Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.

Research and development costs

The capitalization of costs for internally generated intangible assets is subject to judgment including the technical feasibility, timeframe to commercialization, assessment of availability of resources to complete the project, and if economic benefits will be generated from its use.

Accounting Standards Issued but not yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2022 or later periods.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Issued but not yet Applied (continued)

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

4. REVERSE TAKEOVER

On August 11, 2021, combined entity entered into a Share Exchange Agreement ("SEA") with the shareholders of Diagnamed. Under the terms of the SEA, Diagnamed shareholders exchanged their 73,250,085 common shares for 73,250,085 of combined entity. The percentage of ownership combined entity shareholders had in the combined entity was 3.11% after the issue of 73,250,085 Wolf shares to the former Diagnamed Shareholders. The following table represents the share capital of each company prior to the RTO:

	Number of Common Shares	Amount ($)
Wolf		
Balance prior to RTO	**2,350,000**	**12,444**
Diagnamed		
Balance prior to RTO	**73,250,085**	**2,877,201**

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non- operating company. The transaction does not constitute a business combination as combined entity does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Diagnamed being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position is presented as a continuance of Diagnamed.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because Diagnamed would have issued shares with a value in excess of the net assets received, the difference is recognised in comprehensive loss as a RTO transaction cost. The amount assigned to the transaction cost of $1,264,148 is the difference between the fair value of the consideration and the net identifiable assets of Wolf acquired by Diagnamed and included in the consolidated statement of loss and comprehensive loss.

The fair value of the consideration in the RTO is equivalent to the fair value of the 622,000 special warrants to combined entity special warrant holders, 15,250,000 warrants to Diagnamed Holdings Corp. warrant holders and 2,350,000 combined entity common shares controlled by original Wolf shareholders. The fair value of the 2,350,000 shares controlled by the Diagnamed Holdings Corp. shareholders in combined entity was estimated to be $235,000 based on the fair market value of $0.10 per share in the private placement of Diagnamed in June 2021. The fair value of the special warrants was estimated to be $62,200 based on the fair market value of $0.10 per share private placement of Diagnamed in June 2021 as each special warrant entitled the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company upon conversion. The fair value of the warrants was

(Expressed in Canadian Dollars)

4. REVERSE TAKEOVER (Continued)

estimated to be $1,001,017 using the Black-Scholes valuation model on the following assumptions: dividend yield of 0%; volatility of 100%; risk -free interest rate of 0.39%; stock price of $0.10 and expected life of 1.69 years.

On August 11, 2021, the RTO was completed. Based on the financial position of combined entity at the time of the RTO, the net assets at estimated fair value that were acquired by Diagnamed were $34,069 and the resulting transaction cost charged to the consolidated statement of loss and comprehensive loss is as follows:

Consideration		
Common shares	$	235,000
Special warrants		62,200
Warrants		1,001,017
Total consideration	**$**	**1,298,217**
Identifiable assets acquired		
Cash and cash equivalents	$	34,069
Total identifiable assets acquired		**34,069**
Unidentifiable assets acquired		
Transaction cost		1,264,148
Total net identifiable assets and transaction cost	**$**	**1,298,217**

5. SPECIAL WARRANTS

On May 5, 2021, Diagnamed Holdings Corp. issued 622,000 special warrants which were then included as part of the consideration in the RTO for a value of $62,200 (note 4). Each special warrant entitles the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company. During the year ended September 30, 2022, these special warrants were converted to common shares of the Company.

6. SHARE CAPITAL

Authorized share capital

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

Common shares issued

	Number of Shares		Share Capital
Balance, upon incorporation	**-**	**$**	**-**
Private placement (i)(ii)(iii)(iv)	73,250,085		2,877,201
Elimination of Diagnamed shares	(73,250,085)		-
Issuance of shares on RTO transaction	73,250,085		-
Conversion of Diagnamed for reverse takeover transaction (note 4)	2,350,000		235,000
Balance, September 30, 2021	**75,600,085**		**3,112,201**
Share issued on conversion of special warrants (v)	622,000		62,200
Balance September 30, 2022	**76,222,085**	**$**	**3,174,401**

(i) On October 5, 2020 (date of incorporation), the Company issued 43,600,085 common shares at $0.00001 per share for gross proceeds of $436.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (Continued)

(ii) On March 5, 2021, the Company issued 2,750,000 common shares at $0.10 per share for gross proceeds of $275,000. In connection with the offering the Company incurred issuance costs of $30,000.

(iii) On April 30, 2021, the Company issued 19,950,000 common shares at $0.10 per share for gross proceeds of $1,995,000. In connection with the offering the Company incurred issuance costs of $14,000 and issued 240,000 broker warrants which are exercisable at $0.10. The broker warrants were valued at $12,544 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: relative share price - $0.10; risk free interest rate – 0.45%; expected volatility – 100%; expected dividend yield - nil; expected life - 2 years.

(iv) On June 18, 2021, the Company issued 6,950,000 common shares at $0.10 per share for gross proceeds of $695,000. In connection with the offering the Company incurred issuance costs of $32,100.

(v) On January 4, 2022, the Board of Directors resolved to convert, effective as of January 4, 2022, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 622,000 Special Warrants issued and outstanding into 622,000 common shares.

7. STOCK OPTIONS

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan"). Options may be granted for a maximum term of five years from the date of the grant. They are not transferable. Unless the Board determines otherwise, options shall be exercisable in whole or in part at any time during this period. Options expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

The Company issued stock options to acquire common shares as follows:

	Number of Stock options	Weighted Average Exercise Price ($)
Balance, upon incorporation (October 5, 2020) and September 30, 2021	**-**	**-**
Issued (i)	2,000,000	0.10
Balance, September 30, 2022	**2,000,000**	**0.10**

(i) On January 4, 2022, the Company granted stock options to directors, officers and advisors to purchase 2,000,000 common shares of the Company at an exercise price of $0.10 for a period of 5 years following the date of grant. The options vest 25% every three months from the date of grant. The options were valued at $149,104 using a Black-Scholes valuation model with the following assumptions: share price of $0.10 per common shares, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 1.39%, and expected life of 5 years. During the year ended September 30, 2022, the Company recorded stock based compensation expense of $138,753 related to this grant of stock options.

The following table reflects the actual stock options issued and outstanding as of September 30, 2022:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
January 4, 2027	0.10	4.27	2,000,000	1,000,000
Total	**0.10**	**4.27**	**2,000,000**	**1,000,000**

(Expressed in Canadian Dollars)

8. WARRANTS

The Company issued warrants to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, upon incorporation (October 5, 2020)	**-**	**-**
Issued (note 6(b)(iii))	240,000	0.10
Reverse takeover transaction (note 4)	15,250,000	0.05
Balance, September 30, 2021 and September 30, 2022	**15,490,000**	**0.05**

The following table reflects the actual warrants issued and outstanding as of September 30, 2022:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
June 18, 2023	0.10	0.72	240,000
May 10, 2023	0.05	0.61	15,250,000
		0.61	15,490,000

9. LOSS PER SHARE

For the year ended September 30, 2022, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $1,132,434 (period from October 5, 2020 to September 30, 2021 - $1,947,816) and the weighted average number of common shares outstanding of 76,058,490 (period from October 5, 2020 to June 30, 2021 - 55,768,041).

Diluted loss per share did not include the effect of 2,000,000 stock options, and 15,490,000 warrants as they are anti-dilutive.

10. FINANCIAL INSTRUMENTS AND OBJECTIVES AND POLICIES

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at September 30, 2022, the carrying and fair value amounts of the Company's cash are approximately equivalent due to its short term nature.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

September 30, 2022, management believes that the credit risk with respect to cash and cash equivalents and accounts receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors.

Foreign currency risk

The Company’s functional and reporting currency is the Canadian dollar. As of September 30, 2022, sensitivity to aplus or minus 10% change in US dollar foreign exchange rate would affect the reported comprehensive loss by approximately $16,000.

11. CAPITAL MANAGEMENT

The Company objectives when manages its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which at September 30, 2022 totaled equity of $1,246,056.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Chief Financial Officer ("CFO") of the Company is an employee of Marrelli Support Services Inc. ("MSSI"). During the year ended September 30, 2022, the Company incurred professional fees of $10,105 (period from October 5, 2020 to September 30, 2021 - $12,954) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at September 30, 2022, MSSI was owed $5,906 (September 30, 2021 - $5,000) inclusive of HST with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

During the year ended September 30, 2022, the Company incurred consulting fees of $175,000 (period from October 5, 2020 to September 30, 2021 - $63,500) to the Chief Executive Officer ("CEO") and companies controlled by the CEO. As at September 30, 2022, the CEO and companies controlled by the CEO were owed $nil (September 30, 2021 - $nil). On May 11, 2021, Wolf issued 5,000,000 warrants to the CEO of the Company. At the time of the foregoing issuance, the CEO was not an officer or director of Wolf and as such was acting at arm's length to Wolf. The CEO became the CEO of the Company as a result of the RTO.

During the year ended September 30, 2022, the Company incurred consulting fees of $88,500 (period from October 5, 2020 to September 30, 2021 - $nil) to Larnic Inc., a company controlled by the spouse of the CEO for clinical and regulatory advisory services. These fees were included in the research expenses in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2022. As at September 30, 2022, Larnic Inc. was owed $nil.

Key management compensation

During the year ended September 30, 2022, the Company recorded $135,284 stock-based compensation for key management of the Company.

13. INCOME TAXES

Rate reconciliation

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 26.5% is as follows:

	Year September 30, 2022	Period from October 5, 2020 (date of incorporation) to September 30, 2021
Loss before income taxes	**(1,132,434)**	**(1,947,816)**
Expected income tax recovery based on statutory rate	(300,095)	(516,171)
Adjustment to expected income tax benefit:		
Transaction costs	93,679	334,999
Share issuance costs	(4,033)	(20,167)
Change in unrecorded tax assets	210,449	201,339
Total	**-**	**-**

Deferred tax assets and liabilities

Deferred income tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits. Deferred income tax assets

(Expressed in Canadian Dollars)

13. INCOME TAXES (Continued)

have not been recognized in respect of the following deductible temporary differences:

		September 30, 2022		September 30, 2021
Non-Capital losses carry forward	$	399,687	$	185,206
Share issuance costs		12,100		16,132
Deferred tax assets		**411,787**		**201,338**
Less: deferred tax assets not recognized		(411,787)		(201,338)
	$	-	$	-

Non-capital losses

As at September 30, 2022, the Company has non-capital losses of $1,509,049 available to reduce taxable income in future years expiring in year 2042.

2041	$	500,148
2042		1,008,901
	$	**1,509,049**

14. RESEARCH

BrainTremor™
DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect tremors, and measuring cognitive and brain activity in patients with neurological disorders.

During the year ended September 30, 2022, the Company incurred $266,745 research expenses (period from October 5, 2020 to September 30, 2021 - $130,000) on BrainTremor™ project.

BrainYear™
DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect the brain age. In August 2021, DiagnaMed commenced the development of its brain detection software platform, BrainYear™.

During the year ended September 30, 2022, the Company incurred $296,114 research expenses (period from October 5, 2020 to June 30, 2021 - $71,771) on BrainYear™ project.

15. COMMITMENTS

On June 24, 2021, the Company has entered into a licensing arrangement with the Drexel University relating to the BrainYear™ project, whereby US$2,500 will be paid each year and certain milestone payments and royalties are payable upon the achievement of certain events. The Company will record these amounts as the events occur.

On December 8, 2021, the Company entered into a licensing agreement with the University of Colorado relating to certain patents held by the University of Colorado for self-healable, recyclable, reconfigurable and wearable electronics devices. The Company is committed to pay to University of Colorado license fees of US$10,000 on December 8, 2021 (the "Effective Date") and license maintenance fees as follows: US$10,000 on the third anniversary of the Effective Date, US$15,000 on the fourth anniversary of the Effective Date, US$30,000 on the fifth anniversary of the Effective Date, US$50,000 on the sixth anniversary of the Effective Date and $US75,000 on the seventh and subsequent anniversaries of the Effective Date until the termination of the agreement.

On February 4, 2022, the Company signed a sponsored research agreement with the University of Colorado to sponsor a research project at the University relating to the subject of the license agreement signed on December 8, 2021. The term of the research agreement is from March 1, 2022 to February 28, 2023. The Company is committed to pay University of Colorado cost of the research project in the amount of US$183,800, 50% of which is payable after the execution of the agreement and invoice from the University, with the remainder paid in equal monthly amounts.

On June 21, 2022, the Company entered into a licensing agreement with the KU Center for Technology Commercialization, Inc. (“KCTC”), a non-profit corporation of the University of Kansas, for the development and commercialization of intellectual property of a novel virtual reality and artificial intelligence neurodiagnostic system (“VR/AI Neuro”) for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson’s disease. The Company paid to KCTC a one-time license fee of US$6,000 and committed to pay license maintenance fees of US$2,000 on each anniversary of the Effective Date.

16. Subsequent event

On December 21, 2022, the Company issued 200,000 common shares at a price of $0.10005 per common share as settlement for debt in the amount of $20,010.