TREATMENT.COM AI INC.

(formerly TREATMENT.COM INTERNATIONAL INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Treatment.com AI Inc. (formerly Treatment.com International Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Treatment.com AI Inc. (formerly Treatment.com International Inc.) (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Matters

The consolidated financial statements of Treatment.com AI Inc. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 1, 2023.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. 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 IFRS Accounting 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 related 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 skepticism 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 29, 2024

TREATMENT.COM AI INC. (formerly TREATMENT.COM INTERNATIONAL INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

	December 31, 2023	**December 31, 2022**
	$	$
ASSETS		
Current assets		
Cash	715,529	2,495
Amounts receivable	17,247	731
Prepaid expenses	6,530	10,448
TOTAL ASSETS	739,306	13,674
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	892,573	1,636,000
Convertible debenture (Note 6)	442,135	-
Loans payable (Note 7)	142,651	200,069
Total current liabilities	1,477,359	1,836,069
Non-current liabilities		
Convertible debenture (Note 6)	-	366,208
TOTAL LIABILITIES	1,477,359	2,202,277
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 8)	19,069,847	14,508,513
Reserve (Note 8)	7,819,953	7,208,230
Accumulated other comprehensive loss	(101,169)	(101,044)
Deficit	(27,526,684)	(23,804,302)
TOTAL SHAREHOLDERS' DEFICIENCY	(738,053)	(2,188,603)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	739,306	13,674

Note 1: Nature of business and continuing operations
Note 14: Contingencies
Note 15: Subsequent events

Approved and authorized by the Board on April 29, 2024:

"Christopher Chery" — Christopher Cherry, Director

"Kevin Peterson" — Kevin Peterson, Director

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

TREATMENT.COM AI INC. (formerly TREATMENT.COM INTERNATIONAL INC.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

	2023	**2022**
	$	$
Expenses		
Accretion and financing fees (Note 6)	75,927	53,379
Consulting and professional fees (Note 12)	1,123,794	934,123
General and administration	200,797	458,409
Research and development	354,489	590,203
Salaries & benefits (Note 12)	68,542	377,281
Stock-based compensation (Note 8)	579,309	1,427,233
Loss before other income (expenses)	(2,402,858)	(3,840,628)
Other income	98,289	-
Foreign exchange loss	(2,082)	(12,094)
(Loss) gain on settlement of debt (Note 8)	(1,500,009)	68,072
Write-off of accounts payable (Note 12)	84,278	-
Write-off of subscription receivable	-	(12,100)
Loss for the year	(3,722,382)	(3,796,750)
Foreign exchange translation	(125)	3,231
Comprehensive loss for the year	(3,722,507)	(3,793,519)
Loss per share – basic and diluted	(0.26)	(0.57)
Weighted average number of outstanding common shares, basic and diluted	14,352,719	6,196,466

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

TREATMENT.COM AI INC. (formerly TREATMENT.COM INTERNATIONAL INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	**2022**
	$	$
Cash flows used in operating activities		
Loss for the year	(3,722,382)	(3,796,750)
Items not involving cash		
Accretion and financing fees	75,927	53,378
Shares issued to settle debts for services	1,500,009	27,966
Write off of subscription receivable	-	12,100
Foreign exchange	(589)	-
Stock-based compensation	579,309	1,427,233
Changes in non-cash working capital items:		
- Receivable	(16,516)	(46)
- Prepaid expenses	3,918	14,629
- Accounts payable and accrued liabilities	840,246	803,383
Cash used in operating activities	(740,078)	(1,458,107)
Cash flows from financing activities		
Loans received, net of repayments	99,487	200,069
Proceeds from convertible debenture	-	340,551
Proceeds from private placement, net of share issue costs	1,353,750	-
Cash provided by financing activities	1,453,237	540,620
Effect of foreign exchange rate on cash	(125)	3,231
Net cash inflows (outflows)	713,034	(914,256)
Cash, beginning of year	2,495	916,751
Cash, end of year	715,529	2,495
Supplemental disclosure of cash flow information		
Non-Cash Transactions		
Share issuance costs – non-cash	32,414	-
Share issuance costs in accounts payable	63,513	-
Shares for debt	1,803,502	-

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

TREATMENT.COM AI INC. (formerly TREATMENT.COM INTERNATIONAL INC.)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of Preferred Shares	Number of common shares	Share Capital	Subscriptions receivable	Reserve	Accumulated other comprehensive loss	Deficit	Total
			$	$	$	$	$	$
Balance, December 31, 2021	10,001	6,614,599	14,480,547	(12,100)	5,753,276	(104,275)	(20,007,552)	109,896
Shares issued to settle debts for services	-	9,800	27,966	-	-	-	-	27,966
Stock-based compensation	-	-	-	-	1,427,233	-	-	1,427,233
Convertible debenture	-	-	-	-	27,721	-	-	27,721
Other comprehensive income	-	-	-	-	-	3,231	-	3,231
Write off of subscription receivable	-	-	-	12,100	-	-	-	12,100
Loss for the year	-	-	-	-	-	-	(3,796,750)	(3,796,750)
Balance, December 31, 2022	10,001	6,624,399	14,508,513	-	7,208,230	(101,044)	(23,804,302)	(2,188,603)
Shares issued to settle debts for services	-	18,005,716	3,303,511	-	-	-	-	3,303,511
Shares issued for private placement	-	12,475,000	1,371,250	-	-	-	-	1,371,250
Share issuance cost	-	-	(113,427)	-	32,414	-	-	(81,013)
Stock-based compensation	-	-	-	-	579,309	-	-	579,309
Other comprehensive income	-	-	-	-	-	(125)	-	(125)
Loss for the year	-	-	-	-	-	-	(3,722,382)	(3,722,382)
Balance, December 31, 2023	10,001	37,105,115	19,069,847	-	7,819,953	(101,169)	(27,526,684)	(738,053)

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Treatment.com AI Inc. (formerly Treatment.com International Inc.) (the “Company" or “Treatment”) was incorporated pursuant to the provisions of the Canada Business Corporations Act on February 2, 2018. The Company’s registered head office address 800 – 885 West Georgia Street, Vancouver, BC V6C 3H1.

Treatment.com AI Inc., through its wholly owned subsidiary Treatment.com Inc. (“Treatment Inc.”), is in the business of providing personalized health care information that is relevant and trustworthy. Whether being used for consumer information, medical education, or clinical decision support, Treatment’s Global Library of Medicine provides a comprehensive resource for businesses and medical institutions about disease, prevention, and wellness that can be integrated into new or existing solutions to improve knowledge and accuracy of medical content.

The Company has been relying on equity-based financing to fund its operations. As at December 31, 2023, the Company has yet to generate a positive net income and had an accumulated deficit of $27,526,684. The Company will require additional financing either through equity or debt financing or a combination thereof to meet its administrative costs and to develop its business. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments may be material.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared by the Company in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

3. BASIS OF PRESENTATION

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 and 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. These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Treatment Inc., from the date control was acquired. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

4. MATERIAL ACCOUNTING POLICIES

(a) Functional currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollar, which is the Company's reporting currency. The functional currency of Treatment is the Canadian dollar, whereas Treatment Inc. is the U.S. dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's accumulated other comprehensive income reserve in equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

(b) Significant estimates and judgments

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant Judgements

Significant judgments in applying the Company's accounting policies in these consolidated financial statements are:

- Determination of function currency - The Company determines the functional currency through its analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.

4. MATERIAL ACCOUNTING POLICIES (continued)

Significant Judgements (continued)

- Capitalization of development costs - The assessment on when the Company can meet the criteria to capitalize development costs, involves judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

Significant Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

- Recoverability and measurement of deferred tax assets - In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(c) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

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

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

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

4. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables. An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

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

Gains and losses on derecognition are generally recognized in profit or loss.

The Company classifies its cash, amounts receivable, accounts payable, loans payable and convertible debentures as amortized cost financial instruments.

(d) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

4. MATERIAL ACCOUNTING POLICIES (continued)

(e) Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) Loss per share

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

(g) Research and development expenses

All expenses related to development activities that do not meet generally accepted criteria for deferral and research expenses are expensed as incurred. Development expenses that do meet generally accepted criteria for deferral are capitalized and amortized over the estimated period of benefit. For the periods presented in these consolidated financial statements, all expenses related to development activities were expensed as incurred.

(h) Share-based compensation

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

(i) Equity

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

(j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

5. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS

(a) Changes in Accounting Policies Effective in the Current Fiscal Year

The International Accounting Standards Board continually issues new and amended standards and interpretations that the Company may need to adopt. The Company constantly assesses the impact that the new and amended standards and interpretations may have on its financial statements and whether to adopt any of the new requirements early.

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended. The amendments require companies to disclose material accounting policies instead of significant ones. The amendments are effective for annual periods beginning on January 1, 2023. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

IAS 8 - The amendments to IAS 8 introduced a new definition of accounting estimates. Accounting estimates are items in financial statements that are subject to uncertainty in measurement. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error, and a change in an accounting estimate may affect only the current period's profit or loss or the profit or loss of both the current period and future periods. The amendments to IAS 8 are effective for annual reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

5. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS (continued)

(b) Accounting Standards Issued but not Effective

Certain pronouncements were issued by the IASB that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not significantly impact the Company and have been excluded.

IAS 1 - The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments clarify the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date but require disclosure in the notes to the financial statements. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2024, and are to be applied retrospectively. The adoption of these amendments is not expected to have a material impact on the Company's consolidated financial statements.

6. CONVERTIBLE DEBENTURE

Balance, December 31, 2021	$	-
Convertible loans issued		340,551
Equity portion		(27,721)
Amortization of financing costs		21,184
Accretion and interests		32,194
Balance, December 31, 2022	$	366,208
Amortization of financing costs		29,725
Accretion and interest		46,202
Balance, December 31, 2023	$	442,135

During the year ended December 31, 2022, the Company issued a $400,000 principal amount of unsecured convertible debentures (the "Debentures"). The debentures were issued at original discount of 15% of the principal amount. The original discount amount is being amortized on straight line basis over the term of the debentures. The debentures bear interest at a rate of 8% per annum, calculated semi-annually and matures 24 months from the date of issuance. The principal of the debentures, plus any interest accrual is convertible at the option of the debentures' holders into one unit of the Company at the conversion price equal to $4.10 per unit. Each unit consists of one common share and one transferable share purchase warrant, with each warrant being exercise into one common share at a price of $5.00 for a period of two years from the date of issuance.

On inception, the Company allocated the total proceeds received of $340,551 between liabilities and equity. The equity component of $27,721 was valued using the residual method based on a discount rate of 12%.

(Expressed in Canadian Dollars)

7. LOANS PAYABLE

During the year ended December 31, 2023, the Company received shareholder loans in the amount of $192,344 (2022 - $200,069). The loans are non-interest bearing, unsecured and payable on demand. Loans payable activity is as follows:

Balance, December 31, 2021	$	-
Addition		200,069
Balance, December 31, 2022	$	200,069
Addition		192,344
Repaid in cash		(92,857)
Settled via shares for debt		(156,316)
Foreign exchange		(589)
Balance, December 31, 2023	$	142,651

8. SHARE CAPITAL

Effective July 14, 2023, the Company consolidated its common shares on the basis of one post-consolidation common shares for every 10 pre-consolidation common shares. Unless otherwise indicated, all share and per share figures have been retrospectively adjusted in these financial statements to reflect the share consolidation.

a) Authorized

Unlimited number of shares with no par value.

b) Issued and outstanding

<u>2022</u>

During the year ended December 31, 2022, the Company issued 9,800 common shares valued at $27,966 to settle certain debts for services, resulting in the Company recognizing a gain on settlement of debt of $68,072.

<u>2023</u>

During the year ended December 31, 2023, the Company issued 18,005,716 common shares valued at $3,303,511 to settle accounts payable and loans payable, resulting in the Company recognizing a loss on settlement of debt of $1,500,009.

On September 29, 2023, the Company issued 10,000,000 common shares through a non-brokered private placement at $0.10 per share for gross proceeds of $1,000,000. The Company paid the finder’s fee of $17,500 and issued 175,000 finder’s warrants to arm’s length parties. Each finder’s warrant is exercisable into one common share at a price of $0.255 per share for a period of 2 years.

On October 5, 2023, the Company issued 2,475,000 common shares through a non-brokered private placement at $0.15 per share for gross proceeds of $371,250.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Stock Options

The Company adopted the 10% stock option plan (the “Option Plan”) on March 11, 2020. The Option Plan provides for the grant of stock options. Stock issued pursuant to awards granted under the 2020 Plan will consist of authorized but unissued common shares. Incentive stock options may be granted to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved 10% of the Company’s issued and outstanding common shares. The exercise price shall not be less than the market value of the common shares.

On October 3, 2023, the Company granted 300,000 stock options with an exercise price of $0.20 per share expiring on October 3, 2028. The fair value of the options was calculating using Black-Scholes Option Pricing Model with the following assumptions: (1) expected life of the options of 5 years, (2) expected volatility of 94%, (3) dividend yield of 0%, and (4) risk-free rate of 4.31%.

On October 17, 2023, the Company granted 1,400,000 stock options with an exercise price of $0.25 per share expiring on October 17, 2028. The weighted average fair value of the options was calculating using Black-Scholes Option Pricing Model with the following assumptions: (1) expected life of the options of 5 years, (2) expected volatility of 96%, (3) dividend yield of 0%, and (4) risk-free rate of 4.19%.

	Year ended December 31, 2023		**Year ended December 31, 2022**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	351,500	$7.00	569,000	$17.20
Granted	1,700,000	0.24	-	-
Cancelled	-	-	(217,500)	$33.70
Ending	2,051,500	$1.40	351,500	$7.00
Exercisable	779,000	$0.37	264,000	$4.80

The Company recorded stock-based compensation of $421,927 (2022 - $2,123,766) related to the share option vesting. The Company also reversed stock-based compensation of $Nil (2022 - $2,351,685) for cancelled stock options.

Warrants

On September 29, 2023, the Company issued 175,000 finder’s warrants to arm’s length parties. Each finder’s warrant is exercisable into one common share at a price of $0.255 per share for a period of 2 years. The fair value of the finder’s warrants was determined to be $32,414, calculated using the Black-Scholes Options Price Model, using the following assumptions: (1) expected life of 2 years, (2) expected volatility of 282%, (3) dividend yield of 0%, and (4) risk-free rate of $4.74%.

	Year ended December 31, 2023		**Year ended December 31, 2022**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	-	-	3,688	$50.00
Expired	-	-	(3,688)	$50.00
Issued	175,000	$0.26	-	-
Ending	175,000	$0.26	-	-

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Restricted Share Units:

In September 2021, the Company adopted the Restricted Share Unit ("RSU") Plan ("RSU Plan"). The maximum number of common shares made available for issuance pursuant to the RSU Plan is determined by the Board of Directors of the Company (the "Board") but shall not exceed 10% of the common shares issued and outstanding from time to time. The Board is authorized to provide for the awarding, granting, vesting, settlement, expiration, and method of settlement of RSUs. As of December 31, 2023 and 2022, (i) 1,250,000 and 230,250, respectively, RSUs were outstanding under the RSU Plan and (ii) no shares of Common Stock were reserved for future grants under the RSU Plan.

The details of this restricted share units issued are as follows:

	Year ended December 31, 2023	**Year ended December 31, 2022**
	Number of RSU	Number of RSU
RSU outstanding, beginning	230,250	255,250
Issued	1,250,000	-
Cancelled	-	(25,000)
Expired	(230,250)	-
RSU outstanding, ending	**1,250,000**	**230,250**
RSU vested	**233,333**	**230,250**

The Company recorded stock-based compensation of $157,382 (2022 - $1,655,152) related to the restricted share units vested for the year ended December 31, 2023.

9. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to managing capital for the year ended December 31, 2023.

10. FINANCIAL INSTRUMENTS

Fair value

The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consisted of cash, amounts receivable, accounts payables and loans and convertible debentures. The carrying value of cash, receivables, accounts payable and loans payable approximate their fair value due to the short period of time to maturity. Convertible debentures approximate fair value because they are discounted at a market rate of interest on initial recognition and subsequently measured at amortized cost.

Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2023, the Company's working capital was a deficit of $738,053 As a result, the Company is currently subject to liquidity risk. Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

As at December 31, 2023 and 2022, the Company did not have any significant exposure to the risk of changes in market interest rates as the Company did not have any financial instruments that are exposed to variable interest rates.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The potential concentration of credit risk consists mainly of cash and accounts receivable. The Company limits its counterparty exposures from its cash by only dealing with well-established financial institutions of a high quality credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

Foreign currency risk arises from holdings of financial assets and liabilities in currencies other than the function currency to which they relate. The Company and its subsidiaries have minimal such holdings, consequently foreign currency risk is considered low.

11. SEGMENTED INFORMATION

The Company has one identified operating segment, which is the supply of personalized health care information. The Company does not have long-lived assets or revenues upon which to report geographic information.

12. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Year Ended December 31,	**2023**	**2022**
	$	**$**
Salaries, Accounting and Consulting fees		
Former Chief Executive Officer & former Chief Strategy Officer	40,866	156,132
Director & Former Chief Executive Officer	-	65,055
Chief Medical Officer & Director	300,000	65,055
Former Chief Financial Officer & Director	72,975	75,600
Chief Executive Officer	60,000	-

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities included the following balances owing to related parties.

Due to Related parties	**Nature**	**December 31, 2023**	**December 31, 2022**
		$	$
Former Chief Executive Officer & former Chief Strategy Officer	Consulting fees	-	95,790
Chief Executive Officer	Consulting fees	35,722	-
Chief Medical Officer & Director	Consulting fees	-	27,088
Former Chief Financial Officer & Director	Accounting fees	50,635	69,300

The Company also has an unsecured, non-interest bearing loan payable to its Chief Medical Officer & Director, who is also a shareholder, with no fixed terms of repayment in the amount of $67,651 as at December 31, 2023. The balance is included in Loans Payable (see Note 7).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (continued)

On September 29, 2023, the Company issued a total of 4,317,500 common shares to certain related parties to settle outstanding debt of $431,750 (Note 8). Of this total amount, 842,900 common shares were issued to the former Chief Financial Officer & Director to settle debt in the amount of $84,290 related to accounting fees, 474,600 common shares were issued to the former Chief Executive Officer & former Chief Strategy Officer to settle debt in the amount of $47,460 related to consulting fees and 3,000,000 common shares were issued to the Chief Medical Officer & Director to settle debt in the amount of $300,000.

During the year ended December 31, 2023, the Company recognized a write-off of accounts payable to the Chief Medical Officer & Director of the Company in the amount of $26,762.

During the year ended December 31, 2023, the Company received shareholders loans in the amount of $192,344 (2022 - $200,069), made repayments on loans in the amount of $249,173 (2022 - $0), and incurred $589 in unrealized foreign exchange loss (2022 - $0). The loans are non-interest bearing, unsecured and payable on demand.

13. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported dates is as follows:

	2023 $	2022 $
Loss before income tax	(3,722,382)	(3,796,749)
Statutory income tax rate	27%	27%
	(1,005,000)	(1,025,122)
Items not deductible for tax purposes	4,000	385,353
Differences on tax rates between jurisdictions (i)	-	86,466
Change in estimates and others	-	(439,092)
Unrecognized tax benefits	1,001,000	992,395
Total income taxes	-	-

The significant components of the Company's deferred tax assets that have not been set up are as follows:

	2023 $	2022 $
Share issue costs	4,000	-
Non-capital losses	4,834,000	3,842,533
Unrecognized deferred tax assets	(4,838,000)	(3,842,533)
Net deferred tax assets	-	-

As at December 31, 2023, the Company has approximately $13.3 million in Canadian non-capital losses which expire between 2038 and 2043. The Company also has approximately $5,840,588 in USA non-capital losses which expire between 2036 to indefinitely.

14. CONTINGENCIES

From time to time, the Company may be involved in claims and litigations as part of its normal course of business. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, based on the information currently available, the Company does not believe that any additional provisions are required to be recognized.

15. SUBSEQUENT EVENTS

On January 8, 2024, the Company granted 25,000 stock options with an exercise price of $0.50 per share expiring on January 8, 2027.

On February 8, 2024, the Company granted 50,000 stock options with an exercise price of $0.55 per share expiring on March 1, 2029. In addition, the Company granted 110,000 RSU's to a consultant and an officer of the Company, expiring on February 8, 2027.

On February 26, 2024, the Company granted 100,000 stock options with an exercise price of $0.55 per share expiring on February 26, 2025.

On March 1, 2024, the Company granted 870,000 stock options with an exercise price of $0.55 per share expiring on March 1, 2029.

On March 14, 2024, the Company closed a non-brokered private placement of 6,295,500 special warrants of the Company (each, a "Special Warrant") at a price of $0.40 per Special Warrant, for aggregate gross proceeds of $2,518,200 and 975,000 units of the Company (each, a "Unit") at a price of $0.40 per Unit, for aggregate gross proceeds of $390,000 (the "Offering").

Each Special Warrant will automatically convert without payment of any additional consideration into one Unit on the date that is the earlier of (i) the third business day after a) a receipt from the applicable securities regulatory authorities for a (final) short form prospectus (a "Qualifying Prospectus") or b) the date of filing a prospectus supplement (the "Prospectus Supplement") to a short form base shelf prospectus qualifying the distribution of the Units issuable upon the conversion of the Special Warrants, and (ii) 4 months and one day after the issue date of the Special Warrants.

Each Unit is comprised of one common share of the Company (each, a "Share") and one-half of one share purchase warrant (each whole, a "Warrant") of the Company, with each Warrant exercisable into one additional Share at an exercise price of $0.60 for two (2) years from the date of closing.