

MUSIRUM HEALTH SCIENCES INC.

INTERIM FINANCIAL STATEMENTS

For the Twelve Months Ended May 31, 2023 and May 31, 2022

Unaudited

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditors.

MUSIRUM HEALTH SCIENCES INC.
Interim Statements of Financial Position
(Expressed in Canadian dollars)

As At	May 31, 2023	May 31, 2023
ASSETS		
Current		
Cash	\$ 10,623	\$ 74,393
Advances	1,310	640
Due from related party (Note 8)	4,868	-
	16,801	75,033
Total assets	\$ 16,801	\$ 75,033

LIABILITIES AND SHAREHOLDERS' DEFICIT

Current		
Accounts payable and accrued liabilities	\$ 41,806	\$ 40,926
Convertible loan (Note 4)	77,251	19,567
Share subscriptions received (Note 6)	-	187,020
Total liabilities	119,057	247,513
Shareholders' Deficit		
Share capital (Note 5)	200,100	100
Reserve (Note 4)	6,468	6,468
Deficit	(308,824)	(179,048)
	(102,256)	(172,480)
Total shareholders' deficit and liabilities	\$ 16,801	\$ 75,033

Nature of operations and going concern (Note 1)

These financial statements were approved for issuance by the Board of Directors on October 3, 2024 and signed on its behalf by:

"Donald Gordon" Director

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

MUSIRUM HEALTH SCIENCES INC.
Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	For the three months ended May 31, 2024	For the three months ended May 31, 2023	For the Twelve months ended May 31, 2024	For the Twelve months ended May 31, 2023
Expenses				
Consulting fees	\$ 7,875	\$ 15,000	\$ 77,800	\$ 46,087
Filing fees	2,985	1,456	5,334	5,246
Accretion and interest	868	1,035	2,684	1,035
Investor Relations	-	7,320	5,404	7,320
Office and administration	44	1,178	16,370	1,615
Professional fees	15,884	21,190	22,184	33,670
	27,656	47,179	129,776	94,973
 Loss before other items	 (27,656)	 (47,179)	 (129,776)	 (94,973)
Other Items				
Spin out expense	-	(10,000)	-	(10,000)
Write off of loan receivable	-	(65,000)	-	(65,000)
Net and comprehensive loss	\$ (27,656)	(122,179)	\$ (129,776)	\$ (169,973)
 Basic and diluted loss per common share	 \$ (0.00)	 \$ 0.00	 \$ (0.01)	 \$ (0.01)
 Weighted average number of common shares outstanding – basic and diluted	 16,403,698	 14,403,698	 15,753,425	 12,609,831

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

MUSIRUM HEALTH SCIENCES INC
Interim Statement of Changes in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in Canadian dollars)

	Share Capital				
	Number of Shares	Amount	Reserve	Deficit	Total
		\$		\$	\$
Balance, May 31, 2022	100	100	-	(9,075)	(8,975)
Issuance of Arrangement Shares (Note 1)	14,403,698	-	-	-	-
Cancellation of initial shares upon completion of Arrangement (Notes 1 and 6)	(100)	-	-	-	-
Conversion feature of convertible loan			6,468	-	6,468
Net and comprehensive loss for the period	-	-	-	(169,973)	(169,973)
Balance, May 31, 2023	14,403,698	100	6,468	(179,048)	(172,480)
Share issuance	2,000,000	200,000			200,000
Net and comprehensive loss for the period				(129,776)	(129,776)
Balance, May 31, 2024	16,403,698	200,100	6,468	(308,824)	(102,256)

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

MUSIRUM HEALTH SCIENCES INC.**Statements of Cash Flow**

(Unaudited - Expressed in Canadian dollars)

	For the Twelve months ended May 31, 2024	For the Twelve months ended May 31, 2023
Cash used in operating activities		
Net loss for the period	\$ (129,776)	(169,973)
Item not involving cash		
Write off of loan receivable	-	65,000
Interest and accretion	2,684	1,035
Changes in non-cash working capital items:		
Prepaid expenses	(670)	(640)
Accounts payable and accrued liabilities	879	40,926
Net cash used in operating activities	(126,883)	(63,652)
Cash from Investing activities		
Advance of loan receivable	-	(50,000)
Net cash used in investing activities	-	(50,000)
Cash from financing activities		
Share Issuance	200,000	-
Proceeds received from share subscriptions	(187,020)	110,520
Proceeds from convertible loan	55,000	25,000
Due to (from) related party	(4,867)	
Net cash provided in financing activities	63,113	135,520
Change in cash and cash equivalents	(63,770)	21,868
Cash, beginning of period	74,393	52,525
Cash, end of period	\$ 10,623	74,393

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Musirum Health Science Inc. ('MHSI' or the "Company") was incorporated under the British Columbia *Business Corporations Act* as a wholly-owned subsidiary of a reporting issuer, Explorinvest Capital Corp. ("Explorinvest") on March 11, 2021. On September 16, 2021, Explorinvest and IndustryWorks Studios Inc. entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and IndustryWorks Studios Inc. to form the Issuer to commence operations in feature film and television series production and distribution.

Explorinvest entered into an arrangement agreement (the "Arrangement Agreement") with its wholly-owned subsidiary MHSI. Under the terms of the Arrangement Agreement, Explorinvest would complete a plan of arrangement (the "Plan of Arrangement") which would divest Explorinvest of the asset consisting of the LOI, which would be divested to the Company in consideration of 14,403,698 common shares of the Company.

Explorinvest received shareholder approval to the Arrangement at an annual general and special meeting of shareholders held on December 17, 2021 and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. On July 4, 2022, 14,403,698 shares of the Company were distributed to Explorinvest shareholders of record as at November 12, 2021, pursuant to the Plan of Arrangement distribution.

The Company's registered office is located at 407 – 1112 Pender Street, Vancouver, British Columbia, Canada V6E 2S1.

Amalgamation Agreement

On July 29, 2022, Musirum; 1373379 B.C. Ltd. ("Subco"), a wholly owned subsidiary of Musirum; and IWS, a privately-held entertainment and multimedia company that buys, sells and distributes movies and television shows internationally entered into an Amalgamation Agreement. Musirum and IWS wish to combine their respective businesses by way of a "three-cornered" amalgamation in which Subco will amalgamate with IWS to form one corporation ("Amalco"). Pursuant to which:

- (i) Musirum shall issue securities of Musirum to the security holders of IWS in exchange for their securities of IWS outstanding, on a one-for-one basis; and
- (ii) Amalco shall become a wholly owned subsidiary of Musirum.

To date, the parties are yet to execute this amalgamation and the agreement is no longer in good standing.

As at May 31, 2023, the Company had loaned IWS \$65,000. During the year ended May 31, 2023, the Company wrote off the loan receivable of \$65,000.

Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at May 31, 2024, the Company has not achieved profitable operations, incurred a net loss, a deficit of \$308,824 (May 31, 2023 - \$179,048), a working capital deficiency of \$102,256 (May 31, 2023 – \$172,480), and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These 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.

2. BASIS OF PRESENTATION

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Financial Reporting Standard 34, Interim Financial Reporting ("IAS 34") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" and "SIC") adopted by the International Accounting Standards Board ("IASB").

These interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on October 3, 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the deferred income tax asset valuation allowances.

Judgments made by management in the application of IFRS include the assumption that the Company is a going concern and will continue in operation in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash

The Company considers cash to include amounts held in banks. The Company places its cash with major financial institutions in Canada.

Functional and presentation currency

The financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the functional currency of the Company, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the condensed statement of financial position date are recognized in the condensed statement of comprehensive loss.

Share-based Compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

As at the period ended May 31, 2024, no share-based compensation was granted or outstanding.

Loss per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for table temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction where there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value of goods and services provided.

As at the period ended May 31, 2024, there were no related party transactions.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Instruments

(a) Classification and measurement

Financial assets

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company does not have any assets classified and measured at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company's cash is classified in this category.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Financial liabilities subsequently measured at amortized cost are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

MUSIRUM HEALTH SCIENCES INC.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED MAY 31, 2024 AND MAY 31, 2023
(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Derecognition of financial assets

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. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. 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.

(d) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Accounting Standards

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2022, or later periods. The Company has not early adopted these new standards in preparing these condensed financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's condensed financial statements.

4. CONVERTIBLE LOAN

On February 1, 2023, the Company received a convertible loan in the amount of \$25,000. On September 22, 2023, the Company received \$40,000. On May 7, 2024, the Company received \$15,000. The loan bears an interest of 5% per annum and is due on May 31, 2025. The loan may be repaid in cash or common shares of the Company at a price of \$0.02 per share at the option of the lender. The loan bears an interest of 5% per annum and is due on May 31, 2025. The loan may be repaid in cash or common shares of the Company at a price of \$0.02 per share at the option of the lender. The fair value of the conversion feature, was determined as the difference between the face value and the fair value of the liability component

	May 31, 2023	May 31, 2023
Balance, at beginning of year	\$ 19,567	\$ -
Addition	55,000	25,000
Amount allocated to the conversion feature	-	(6,468)
Interest accretion	2,684	1,035
Balance at the period end	\$ 77,251	\$ 19,567

As at May 31, 2024, total undiscounted carrying value of the loan is \$83,064.

MUSIRUM HEALTH SCIENCES INC.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED MAY 31, 2024 AND MAY 31, 2023
(Unaudited - Expressed in Canadian dollars)

5. CAPITAL STOCK

a) Authorized

Unlimited number of common shares

b) Issued and outstanding

In accordance with the terms of the Plan of Arrangement (Note 1), the Company issued 14,403,698 common shares of the Company to Explorinvest shareholders on July 4, 2022, upon which the initial 100 common shares of the Company were cancelled and returned to treasury.

On September 27, 2023, the Company issued 2,000,000 common shares and warrants. Each unit comprises of one common share in the capital of the Company and one whole transferrable warrant. Each whole warrant will entitle the holder thereof, on exercise, to purchase one common share in the capital of the Company at an exercise price of \$0.40 per share until the close of business on the day which is 36 months from its date of issue

c) Stock option plan

The company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of five periods from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at the period ending May 31, 2024, no options were granted or outstanding.

d) Warrants

As at May 31, 2024, the Company had warrants outstanding enabling holders to acquire the following:

Number of shares	Exercise Price	Expiry Date
2,000,000	\$0.40	September 27, 2026
2,000,000		

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Balance, May 31, 2023	-	-	-
Issued	2,000,000	\$0.40	2.33 years
Balance, May 31, 2024	2,000,000	\$0.40	2.33 years

6. SHARE SUBSCRIPTIONS RECEIVED

Share subscriptions in the amount \$200,000 (May 31, 2023: \$187,020) were converted for 2,000,000 for units at \$0.10 per unit. Each unit comprises of one common share in the capital of the Company and one whole transferrable warrant. Each whole warrant will entitle the holder thereof, on exercise, to purchase one common share in the capital of the Company at an exercise price of \$0.40 per share until the close of business on the day which is 36 months from its date of issue.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. Cash is measured using level 1 inputs.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As at May 31, 2024, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

The Company's risk exposures and the possible impact of these expenses on the Company's financial instruments are summarized below:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2024, the Company had a working capital of deficiency \$102,256 (May 31, 2023 - \$172,480). Liquidity risk is assessed as high.

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed to interest rate risk as it does not have any financial instruments that earn or bear interest at variable interest rates.

8. RELATED PARTY TRANSACTION

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

For the period ended May 31, 2024, the Company incurred \$31,500 (2023-\$33,000) for consulting or management fees provided by directors and had \$4,868 (2023-\$NIL) balance due from related parties. This amount is non-interest bearing, unsecured and has no specific terms of repayment.

9. CAPITAL DISCLOSURES

The Company considers its capital under management to be comprised of shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to continue as a going concern and to maximize returns for shareholders over the long term. The Company is not subject to any capital restrictions. There has been no change in the Company's objectives in managing its capital since incorporation.