Datametrex AI Limited

Consolidated Financial Statements
March 31, 2024 and December 31, 2022

(Canadian dollars, except as otherwise noted)

KRP KINGSTON ROSS PASNAK LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

July 30, 2024
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Datametrex AI Limited

Opinion

We have audited the consolidated financial statements of Datametrex AI Limited and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at March 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024, and the consolidated financial performance and consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

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 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 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 that the Company incurred a net loss during the period ended March 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. 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.

Other Matter

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 30, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. This matter was addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

(continues)

In addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section, we have determined that matters described below to be key audit matters to be communicated in our auditor's report.

Impairment assessment

We refer to financial statement summary of material accounting policies in Note 2 and related disclosures in Note 6.

During the period ended March 31, 2024, the Company recognized an impairment loss on its goodwill and intangible assets in the amount of $10,575,450. The Company reviews for indicators of impairment at each statement of financial position date and when events or changes in circumstances indicate that assets may be impaired. We identified the Company's impairment assessment as a key audit matter.

This impairment test is significant to our audit because the Company identified indicators of impairment for its assets, resulting in a significant impairment expense being recognized. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically forecasted future cash flows and discount rates, giving rise to high estimation uncertainty.

To address the risk for material misstatement on the impairment assessment, our audit procedures included, amongst other procedures:

- Evaluated the reasonableness of the Company's cash flows by comparing projections to, among others, historical expenses and operations and current business plans.
- Assessed the assumptions, methodologies and data used by the Company, in particular those relating to forecasted cash flows and discount rates.
- Tested the completeness and accuracy of the underlying data used in the Company's valuation model.
- Performed analysis on significant management assumptions used in the valuation model.

We assessed the adequacy of the Company's presentation and disclosures related to impairment assessment.

Evaluation of Business Acquisition

We refer to financial statement summary of material accounting policies in Note 2 and related disclosure in Note 14.

At the acquisition date, the Company reported net assets acquired and total consideration paid of $2,434,731 in relation to the acquisition of Imagine Health in the fiscal period. The acquisitions required an assessment of the IFRS guidance and a thorough assessment of the fair value of the aggregate consideration transferred and net assets received.

Evaluation of acquisitions was considered as a key audit matter, due to the size of the balance and significant management judgment is required for the value assessment. This matter represented an area of significant risk of material misstatement given the magnitude of the balance and high degree of estimation uncertainty in determining the fair value of consideration paid and net assets acquired. Significant auditor judgment and the involvement of professionals with specialized skills and knowledge was required to evaluate the evidence supporting the Company's significant estimates due to the sensitivity of the fair value to minor changes in these estimates.

To address the risk for material misstatement the business acquisition, our audit procedures included, amongst other procedures:

- Evaluated the analyses and calculations made by management with respect to the fair value assessment at the date of acquisition.
- Engaged the involvement of external auditor experts in the valuation at the date of acquisition.

(continues)

- Assessed the compliance of Company's accounting policies with applicable accounting standards.

We assessed the adequacy of the Company's disclosures relating to the business acquisition.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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, 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.

(continues)

- 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 period 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 circumstance, 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 Justin Rousseau.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

Datametrex AI Limited

Consolidated Statements of Financial Position
As of March 31, 2024 and December 31, 2022
(Canadian dollars)

	March 31, 2024 $	December 31, 2022 $
Assets		
Current assets		
Cash and cash equivalents	**341,242**	8,934,913
Trade and loan receivables (notes 4, 12 and 13)	**2,177,793**	3,411,502
Inventory	**139,367**	-
Marketable securities (note 10)	**792,998**	478,343
Prepaid expenses and other assets	**221,721**	269,507
Deposit on acquisition of Imagine Health (note 14)	**-**	2,524,473
Total current assets	**3,673,121**	15,618,738
Right-of-use asset (note 8)	**4,737,582**	3,784,162
Property and equipment (note 5)	**1,871,094**	2,920,204
Intangible assets (notes 6 and 14)	**953,528**	10,704,545
Goodwill (note 6 and 14)	**1,472,649**	2,972,348
Total assets	**12,707,974**	35,999,997
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (notes 12 and 13)	**1,502,305**	2,120,460
Deferred revenue	**-**	28,980
Income taxes payable	**2,885,766**	4,408,124
Current portion of lease liability (note 8)	**682,500**	450,440
Loan payable (notes 9 and 13)	**518,995**	520,189
Provisions (note 14)	**1,875,000**	1,875,000
Total current liabilities	**7,464,566**	9,403,193
Long-term lease liability (note 8)	**3,986,263**	3,330,206
Long-term loan payable (note 9)	**-**	225,084
Deferred income taxes (note 17)	**252,682**	272,869
Total liabilities	**11,703,511**	13,231,352
Shareholders' equity (deficiency)		
Share capital (note 11)	**56,846,173**	55,491,860
Reserves (note 11)	**8,993,180**	8,149,978
Foreign currency translation reserve	**(54,562)**	(23,252)
Deficit	**(64,780,328)**	(40,849,941)
Total shareholders' equity (deficiency)	**(1,004,463)**	22,768,645
Total liabilities and shareholders' equity (deficiency)	**12,707,974**	35,999,997

Description of business and organization (note 1)
Contingency (note 15)
Subsequent events (note 18)

Signed "Paul Haber" Director   Signed "Charles Park" Director

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

Datametrex AI Limited

Consolidated Statements of Loss and Comprehensive Loss
For the fifteen months ended March 31, 2024 and twelve months ended December 31, 2022
(Canadian dollars, except share and per share amounts)

	Fifteen months ended March 31, 2024 $	Twelve months ended December 31, 2022 $
Revenue		
AI and Technology (note 3)	**3,780,939**	4,578,717
Health Security (note 3)	**5,973,678**	25,910,222
	9,754,617	30,488,939
Direct costs (note 3 and 12)	**(6,907,711)**	(20,293,796)
Gross profit (note 3)	**2,846,906**	10,195,143
Expenses		
Salaries, benefits and consulting fees	**3,625,980**	3,928,731
Office and general	**2,476,235**	1,871,097
Professional fees	**2,544,874**	3,232,037
Other operating expenses	**635,513**	772,356
Share-based compensation (note 11)	**1,318,192**	-
Depreciation and amortization (notes 5, 6 and 8)	**3,752,098**	2,791,878
	14,352,892	12,596,099
Loss before undernoted items	**(11,505,986)**	(2,400,956)
Unrealized gain (loss) on marketable securities (note 10)	**1,416,029**	(2,456,839)
Loss on sale of marketable securities (note 10)	**(1,084,591)**	(940)
Impairment of intangible assets and goodwill (note 6)	**(10,575,450)**	(6,745,317)
Impairment of property and equipment (note 5)	**(507,011)**	-
Write down of inventory	**(136,724)**	-
Gain on settlement of accounts payable	**199,733**	321,168
Interest and accretion	**(86,063)**	(18,423)
Interest and other income	**1,388,223**	102,123
Consideration paid in excess of asset acquired	**-**	(5,061,333)
Loss on settlement of accounts payable (note 16)	**(2,322,582)**	-
Loss on deconsolidation (note 14)	**(2,574,937)**	-
Foreign exchange gain (loss)	**11,677**	(9,700)
Loss before income taxes	**(25,777,682)**	(16,270,217)
Income tax recovery (expense)	**1,847,295**	(988,592)
Net loss	**(23,930,387)**	(17,258,809)
Other comprehensive loss		
Foreign exchange translation adjustment	**(31,310)**	(21,507)
Comprehensive loss	**(23,961,697)**	(17,280,316)
Weighted average number of common shares - basic	**404,863,822**	387,153,455
Weighted average number of common shares - diluted	**404,863,822**	387,153,455
Basic loss per share	**(0.06)**	(0.04)
Diluted loss per share	**(0.06)**	(0.04)

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

Datametrex AI Limited

Consolidated Statements of Changes in Shareholders' Equity
For the fifteen months ended March 31, 2024 and twelve months ended December 31, 2022
(Canadian dollars, except for number of shares)

	Common Shares					
	Number	**Amount**	**Reserves**	**Foreign currency translation reserve**	**Deficit**	**Total**
		$	**$**	**$**	**$**	**$**
Balance – December 31, 2021	355,166,034	47,771,587	8,310,315	(1,745)	(23,591,132)	32,489,025
Net income for the period	-	-	-	-	(17,258,809)	(17,258,809)
Shares issued for business acquisition	71,666,667	9,733,333	-	-	-	9,733,333
Shares issued on exercise of options (note 11)	1,250,000	355,337	(160,337)	-	-	195,000
Shares returned to treasury and cancelled (note 11)	(17,807,500)	(2,040,351)	-	-	-	(2,040,351)
Treasury shares (note 11)	-	(328,046)	-	-	-	(328,046)
Foreign exchange translation adjustment	-	-	-	(21,507)	-	(21,507)
Balance – December 31, 2022	410,275,201	55,491,860	8,149,978	(23,252)	(40,849,941)	22,768,645
Net loss for the period	**-**	**-**	**-**	**-**	**(23,930,387)**	**(23,930,387)**
Shares for private placement (note 11)	**50,000,000**	**1,000,000**	**-**	**-**	**-**	**1,000,000**
Shares issued on exercise of options (note 11)	**14,000,000**	**1,578,911**	**(488,911)**	**-**	**-**	**1,090,000**
Shares returned to treasury and cancelled (note 11)	**(16,390,500)**	**(1,210,677)**	**-**	**-**	**-**	**(1,210,677)**
Share issue costs (note 11)	**-**	**(13,921)**	**13,921**	**-**	**-**	**-**
Share-based compensation (note 11)	**-**	**-**	**1,318,192**	**-**	**-**	**1,318,192**
Foreign exchange translation adjustment	**-**	**-**	**-**	**(31,310)**	**-**	**(31,310)**
Balance – March 31, 2024	**457,884,701**	**56,846,173**	**8,993,180**	**(54,562)**	**(64,780,328)**	**(1,004,463)**

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

Datametrex AI Limited

Consolidated Statements of Cash Flows
For the fifteen months ended March 31, 2024 and twelve months ended December 31 2022
(Canadian dollars)

	Fifteen months ended March 31, 2024	Twelve months ended December 31, 2022
Cash flows used in operating activities	$	$
Net loss for the period	**(23,930,387)**	(17,258,809)
Adjustments to reconcile net (loss) income to operating cash flows		
Depreciation of property and equipment (note 5)	**1,233,462**	150,605
Amortization of intangible assets (note 6)	**1,718,989**	2,416,467
Amortization of right-of use asset (note 8)	**799,647**	224,806
Accretion on lease liability (note 8)	**35,428**	4,455
Accretion on long-term debt (note 9)	**50,931**	-
Gain on settlement	**-**	(321,168)
Loss on sale of marketable securities (note 10)	**1,084,591**	940
Share-based payments (note 11)	**1,318,192**	-
Unrealized loss on marketable securities (note 10)	**(1,416,029)**	2,456,839
Consideration paid in excess of asset acquired (note 14)	**-**	5,061,333
Loss on impairment of intangible assets and goodwill (note 6)	**10,575,450**	6,745,317
Write down of inventory	**136,724**	-
Loss on impairment of property and equipment (note 5)	**507,011**	-
Loss on deconsolidation (note 14)	**2,574,937**	-
Deferred income taxes	**(324,937)**	(322,109)
Net change in operating assets and liabilities (note 7)	**(1,392,422)**	592,231
	(7,028,413)	(249,093)
Cash flows used in investing activities		
Purchase of property and equipment (note 5)	**(1,651,340)**	(2,031,875)
Proceeds from the sale of marketable securities (note 10)	**241,783**	79,100
Purchase of marketable securities (note 10)	**-**	(430,000)
Deposit on acquisition of Imagine Health (note 14)	**-**	(1,409,200)
Bank indebtedness included in disposition of EVS (note 14)	**87,517**	-
Cash obtained from Imagine Health acquisition (note 14)	**110,605**	-
	(1,211,435)	(3,791,975)
Cash flows used in financing activities		
Repayments of lease liability (note 8)	**(900,378)**	(229,260)
Repayments of loans payable (note 9)	**(296,667)**	-
Proceeds from private placement	**1,000,000**	-
Proceeds from exercise of share options (note 11)	**1,090,000**	195,000
Shares repurchased (note 11)	**(1,210,677)**	(2,368,397)
	(317,722)	(2,402,657)
Effect of exchange rate changes on cash and cash equivalents	**(36,101)**	(21,528)
Decrease in cash and cash equivalents	**(8,593,671)**	(6,465,253)
Cash and cash equivalents, beginning of period	**8,934,913**	15,400,166
Cash and cash equivalents, end of period	**341,242**	8,934,913
Cash and cash equivalents are comprised of:		
Cash	**341,242**	1,934,913
Cash equivalents	**-**	7,000,000
Total	**341,242**	8,934,913
Supplementary information		
Shares and units issued for acquisitions	**-**	**9,733,333**
Transfer from reserves on exercise of warrants and options	**488,911**	**160,337**
Income taxes paid	**-**	**68,898**

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

1 Description of business and organization

Datametrex AI Limited (the "Company") is a technology company focused on collecting, analyzing and presenting structured and unstructured data using machine learning and artificial intelligence. The Company also started a health security businesses, including COVID-19 related services, concierge medical services and telemedicine services.

The Company is a publicly traded corporation, incorporated in the province of Ontario and its head office and principal place of business is located at 2300 Yonge Street, Suite 2802, Toronto, Ontario, M4P 1E4, Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "DM" and on the Frankfurt Stock Exchange under the trading symbol "D4G".

In February 2024, the Company changed its financial year end from December 31 to March 31. Accordingly, these consolidated financial statements represent a fiscal period of fifteen months from January 1, 2023 to March 31, 2024. Presented as comparative figures are the financial results for the twelve month period of January 1, 2022, to December 31, 2022.

Beginning in March 2020, the Governments of Canada and the United States, as well as other foreign governments instituted emergency measures as a result of the COVID-19 virus outbreak. The virus has had a major impact on North America and international securities and currency markets, and consumer activity. As a result, the Company entered into agreements securing the rights to import COVID-19 test kits from manufacturers in South Korea. The Company provided COVID-19 related services on the Canadian and international market. COVID-19 has had a significant positive impact on the Company's financial position, its results of operations and its cash flows. However, the need for COVID-19 test kits virtually ended in recent periods.

During the fifteen months ended March 31, 2024, the Company incurred a loss of $23,930,387 (twelve months ended December 31, 2022 - $17,258,809) and, as of that date, the Company had accumulated deficit of $64,780,328 (December 31, 2022 - $16,448,514) and a working capital deficit of $3,791,445 (December 31, 2022 – $2,566,902). The Company's continuing operations as intended are dependent upon its the ability to raise additional funds, investor sentiment and financial market conditions. Should the Company be unable to secure additional financing, the Company may be unable to discharge its net liabilities. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2 Material accounting policy information

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on July 30, 2024.

The consolidated financial statements are presented in Canadian dollars which is also the Company's functional currency. The consolidated financial statements are presented at historical costs, other than certain financial instruments measured at fair value. The accrual method of accounting is used in the consolidated financial statements, other than cash flow information. The accounting policies have been applied consistently in these consolidated financial statements, unless otherwise indicated.

Basis of consolidation

The consolidated financial statements include the accounts of all entities controlled by the Company, which are referred to as subsidiaries, and references to the Company include references to such subsidiaries. The financial statements of the subsidiaries are included in these consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company's wholly owned operating subsidiaries include:

Name of the entity	Jurisdiction of incorporation	Functional currency	Principal activity
Datametrex Limited	Canada	Canadian Dollar	Inactive
9172-8766 Quebec Inc. ("Nexalogy")	Canada	Canadian Dollar	AI and Technology
Datametrex Korea Limited ("Datametrex Korea")	Korea	Korean Won	AI and Technology
Medi-Call Inc. ("Medi-Call")	Canada	Canadian Dollar	Health Care
Datametrex Electric Vehicle Solutions Inc. ("EVS")(1)	Canada	Canadian Dollar	AI and Technology
Imagine Health Medical Clinics Ltd. ("IHMed")(2)	Canada	Canadian Dollar	Health Care
Imagine Health Pharmacies & Research Ltd. ("IHPharma")(2)	Canada	Canadian Dollar	Health Care
Imagine Health Physio Ltd. ("IHPhysio")(2)	Canada	Canadian Dollar	Health Care

(1) Deconsolidated as of December 7, 2023, being the date of disposition.
(2) Consolidated as of May 1, 2023, being the date of acquisition.

The Company's consolidated financial statements are presented in Canadian Dollar.

Intercompany balances and transactions are eliminated upon consolidation and preparation of these consolidated financial statements.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and judgments that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, and its best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these consolidated financial statements are discussed below:

a) **Business combinations, control and significant influence**

The Company uses judgment in determining the entities that it controls and therefore, consolidates or has significant influence over and therefore accounts for on an equity basis. The Company controls an entity when the Company has existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company has significant influence when the Company has the power to participate in the financial and operating policy decisions of the investee, but does not control nor has joint control of that investee's policies.

b) **Intangible assets and goodwill**

Management is required to use judgment in determining the economic useful lives of identifiable intangible assets. Judgment is also required to determine the frequency with which these assets are to be tested for impairment. The Company uses judgment in determining the grouping of assets to identify its Cash Generating Units ("CGUs") for purposes of testing for impairment of intangible assets and goodwill. In testing for impairment, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from the synergies of the business combination. In testing for impairment of intangibles with indefinite lives, these assets are allocated to the CGUs to which they relate.

c) **Income taxes**

In calculating current and deferred income taxes, the Company uses judgment when interpreting the tax rules where the Company operates. The Company also uses judgment in classifying transactions and assessing probable outcomes of claimed or accrued deductions, which considers expectations of future operating results, the timing and reversal of temporary differences and possible audits of income tax filings by tax authorities.

d) **Share based compensation**

In calculating grant valuations, various inputs and assumptions are used with respect to expected option life, risk free interest rate, dividend yield and expected volatility.

e) **Accounting for the acquisitions**

The Company applies significant judgment to conclude whether an acquired set of activities and assets is a business. The acquisition of a business is accounted for as a business combination, under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition. The Company also applied judgment in identifying the assets acquired and evaluating which IFRS standard the asset should be measured in.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the changes affects both.

a) **Accrued liabilities, provisions and contingent consideration**

Certain estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next fiscal year include accrued liabilities, provisions and contingent consideration. These estimates are based on management's assumptions, based on current circumstances, that management believes are a reasonable basis upon which to estimate the future liabilities. Specifically for provisions, that the amount of the estimate is reliable and that management has determined that there is an expectation that future outflows of assets will be necessary to cover the provided for amounts.

b) **Fair value of intangible assets and goodwill**

With respect to intangible assets acquired and goodwill recognized in a business combination, and at subsequent assessment dates, the Company determines fair values using such estimates such as discounts rates, growth rates and terminal growth rates. These estimates take into account any material change to the assumptions that occur when reviewed annually by management.

Operating segments

The Company determines its reportable segments based on, among other things, how the chief operating decision makers, including the Chief Executive Officer, regularly reviews its operations and performance.

For the fifteen months ended March 31, 2024 and twelve months ended December 31, 2022, management has determined that the Company operated in two operating and reportable segments being (1) AI and Technology segment, and (2) Health Care segment. The Company's Health Care segment, including the COVID-19 related business which has now ceased operations and Imagine Health consisting of integrated medical centres, pharmacies and ancillary services, is operated from Canada while the AI and Technology segment is operated in Canada and South Korea, respectively (see note 3).

Leases

The Company leases buildings, primarily for office use. For all lease contracts entered into, or changed, the Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method.

Revenue from contracts with customers

The Company uses a five step model for recognizing revenue from contracts with customers. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

<u>Health Care</u>

a) **COVID-19 services**

The Company provides COVID-19 testing services. The total consideration for service contracts is allocated based on their stand-alone selling prices, and revenue is recognized when the testing services are completed.

b) **COVID-19 test kits**

Revenue from the sale of COVID-19 test kits is recognized when the price is fixed and determinable and collection is reasonably assured, and when title to the product transfers to the customer, which occurs upon shipment of the product, unless the Company has retained significant risks of ownership or future obligations with respect to the product shipped in which case the revenue is recognized on delivery.

c) **Physician consultations and medical professional services**

The Company provides physician consultations and medical professional services to patients on a fee-for-service basis. The total consideration these based on their stand-alone selling prices, and revenue is recognized when the consultation services are completed.

d) **Pharmacy sales**

Revenue from the sale of prescription drugs and over-the-counter products. Revenue from these pharmacy sales is recognized when the price is fixed and determinable and collection is reasonably assured, and when title to the product transfers to the customer, which occurs upon shipment of the product, unless the Company has retained significant risks of ownership or future obligations with respect to the product shipped in which case the revenue is recognized on delivery.

<u>AI and technology</u>

e) **Services**

The Company provides big data, artificial intelligence and system integration services to customers. The total consideration for service contracts is allocated based on their stand-alone selling prices, and revenue is recognized over time as performance obligations are satisfied. This occurs when the Company has earned the right to payment, the customer has possession and the related significant risks and rewards of ownership, and the customer has accepted the service.

The Company's system integration services do not involve significant customization of the software and are not considered essential to functionality. Revenue from services, including IT (i.e. big data and artificial intelligence) consulting services and system integration services are recognized over time as such services are performed. Revenue for fixed price services are generally recognized over time applying input methods to estimate progress to completion. The Company currently does not have any consumption-based service revenues.

f) **License fees**

Licencing revenue is determined by assessing each individual contract to determine whether the licence obligation is distinct from the other performance obligations within the contract. The Company may have various types of licence obligations depending on the contract:

If the licence obligation is distinct, the Company determines if the licence should be recognized at a point in time ("right to use") or over time ("right to access") throughout the licence period.

- For contracts that provide the customer with a right to use the Company's intellectual property ("IP") at a point in time, licence revenue is recognized once the technology is available for use and the control over the right to use the IP is transferred to the customer.
- For contracts that provide the customer with a right to access the Company's IP over time, licence revenue is recognized over the licence period.

For those contracts where the licence obligation is determined not to be distinct from other performance obligations, the licence revenue is allocated to the associated performance obligations and recognized upon achievement of the milestones applicable to those obligations, generally over a period of one year or less.

g) **Hardware**

The Company recognizes revenue from the sale of hardware upon delivery of the equipment to the customer's premises when title and the risks and rewards of ownership transfer.

Inventory

Inventory comprising of finished goods is valued at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted-average cost method. Net realizable value is the estimated selling price less applicable selling cost. If the carrying value exceeds net realizable amount, a provision is recognized. The provision may be reversed in a subsequent period if the circumstances which caused the write down no longer exists.

Deferred revenue

Billings or payments received from customers in advance of products being shipped/delivered are recorded as deferred revenue in the consolidated statements of financial position.

Financial instruments

The Company uses three classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and 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. Financial liabilities are classified and measured in two categories: amortized cost or FVTPL. The Company does not separate derivatives embedded in contracts where the host is a financial asset. Instead, the hybrid financial instruments as a whole are assessed for classification.

a) **Classification of financial assets and financial liabilities**

The Company's financial assets and financial liabilities are classified as follows:

	Classification
Cash and cash equivalents	Amortized cost
Trade and loan receivables	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

On initial recognition, a financial asset is classified as amortized cost, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing the asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company recognizes trade receivables initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All trade receivables without a significant financing component are initially measured at their transaction prices. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets at amortized cost are measured at cost using the effective interest method. The 'effective interest rate', is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost. The Company recognizes debt securities it issues when they originate. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, financial liabilities at amortized cost are subsequently measured using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

b) **Impairment of financial assets**

The Company uses a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgment, including consideration of how changes in economic factors and forward-looking information affect ECLs, which will be determined on a probability-weighted basis. This impairment model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in office and general expenses with the carrying amount of the financial asset reduced through the use of an impairment allowance.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position is comprised of cash at banks and on hand having terms to maturity of 90 days or less, and short-term deposits which are cashable without penalty and are readily convertible into a known amount of cash, and subject to an insignificant risk of change in fair value.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic resources will be required to settle the obligation and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Business combinations

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value of the assets transferred, liabilities incurred and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in profit or loss.

Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 Financial Instruments with the corresponding gain or loss recognized in profit or loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation.

Until such time, these values are provisionally reported and are subject to change on a prospective basis. Changes to fair values and allocations are retrospectively adjusted subsequent to the finalization of the purchase price allocation.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Transaction costs for asset acquisitions are capitalized as part of the cost of the assets acquired. Asset acquisitions do not give rise to goodwill.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Gains and losses arising on the disposal of individual assets are recognized in profit or loss in the year of disposal.

Depreciation, which is recorded from the date on which each asset is available for service, is generally provided for on a straight-line basis over the estimated useful lives of the property and equipment as follows:

Computer equipment and machinery	5 years
Office equipment and furniture	5 years
Software	2-5 years
Leasehold improvements	Term of the lease

Property and equipment that are not ready for intended use are not depreciated.

Maintenance and repairs are charged to expense as incurred. Renewals and betterments, which materially prolong the useful lives of the assets, are capitalized. The cost and related accumulated amortization of property retired or sold are removed from the accounts, and gains or losses are recognized in profit or loss.

The Company conducts an annual assessment of the residual values, useful lives and depreciation methods being used for property and equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

Intangible assets

Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. The Company evaluates the reasonableness of the estimated useful lives of these intangible assets on an annual basis. The Company reviews intangible assets with indefinite lives annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable. Indefinite life intangible assets are not amortized.

The estimated useful lives of intangible assets are as follows:

Trademark	Indefinite life
Non-competition agreements and others	5 years
Patents and developed technologies	5 years to 10 years
Customer relationships	5 years to 10 years

Goodwill

Goodwill represents the excess purchase price over the fair value of identifiable assets acquired less liabilities assumed from business combinations. Goodwill is not amortized. The Company reviews goodwill annually for impairment but impairment may be reviewed earlier if facts or circumstances indicate that the carrying amount may not be recoverable.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity conducts transactions.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the consolidated statement of financial position, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

The results of operations and financial position of a subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; expenses are translated at the average exchange rate for the year, all resulting exchange differences are recognized in other comprehensive income or loss. On disposition or partial disposition of a foreign operation, the cumulative amount of any respective exchange difference is recognized in profit or loss.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, assets are grouped together into the smallest identifiable group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (“CGUs”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For any other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairment losses are recognized immediately in profit or loss.

Income taxes

Income tax expense represents the sum of current income tax expense and deferred tax expense. Current income tax expense is based on taxable income for the year. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

Units issued for acquisitions

Units issued for acquisitions are valued at the fair value of the asset acquired, measured at the date on which the assets are received, if the value of the assets acquired can be measured reliably. In that case, the value of the assets acquired is allocated first to the value of the common shares based on the quoted market price of the Company's common shares on the date the assets are received, and any residual amount is allocated to the warrants. If the Company cannot estimate reliably the value of the assets acquired, then the consideration for the assets acquired is measured based on value of the units issued, by separating the units into their component parts (generally common shares and share purchase warrants), which are then individually measured at fair value on the date of grant. The common shares are measured at fair value, using the quoted market price on the date of grant. The warrants are measured at fair value using the Black-Scholes option pricing model.

Share based compensation

The grant-date fair value of equity-settled share based payment arrangements granted to employees is generally recognized as share based compensation in profit or loss, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. Share based payment arrangements granted to non-employees are valued at the fair value of the goods or service received, measured at the date on which the goods are received, or the services are rendered. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures the value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, using the Black-Scholes option pricing model.

The increase in equity recognized in connection with a share based payment transaction is presented in the "Reserves" line item on the consolidated statements of financial position, as a separate component in equity. For share based payment awards with market conditions, the grant-date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Warrants

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

Broker warrants and other share purchase warrants issued for goods or services are measured at fair value using the Black-Scholes option pricing model.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Diluted loss per share is equivalent to basic loss per share, as the effects of all dilutive potential common shares would be anti-dilutive.

Research and development

Expenditures on research activities are recognized in profit or loss as incurred, net of government assistance in the form of research and development tax credits. Development expenditures are capitalized as part of the cost of the resulting intangible asset only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Investment tax credits ("ITCs") arising from research and development activities, primarily comprising incentives from the Canadian federal government under the Scientific Research and Experimental Development Tax Incentive Program ("SRED") are applied against research and development expenditures when there is reasonable assurance that the credits will be realized.

Forgivable loans

A forgivable loan from a government is treated as government assistance when there is reasonable assurance that the Company will meet the terms for forgiveness of the loan. The government assistance is presented in the profit or loss as government grant (other income). If there is no reasonable assurance that the Company will meet the terms for forgiveness of the loan, the loan is recognized as a liability in accordance with IFRS 9 Financial Instruments. The liability would become a government grant (forgivable loan) when there is reasonable assurance that the Company will meet the terms for forgiveness.

New and amended accounting pronouncements applicable to the current period

In February 2021, the IASB issued narrow-scope amendments to IAS 1 Presentation of Financial Statements, IFRS Practice Statement 2 Making Materiality Judgments and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from change in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

These amendments had no significant impact on the Company’s consolidated financial statements.

New accounting standards, interpretations and amendments not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing the potential impact of this new standard upon adoption.

Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates clarify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendment requires the disclosure of additional information when a currency is not considered exchangeable. The amendments are applied prospectively for annual periods beginning on or after January 1, 2025. Early adoption is permitted. The Company is in the process of assessing the potential impact of this new standard upon adoption.

Amendment to CSDS1 General Requirements for Disclosure of Sustainability-related Financial Information includes requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The amendments are applied prospectively for annual periods beginning on or after January 1, 2025. The Company is in the process of assessing the potential impact of this new standard upon adoption.

Amendment to CSDS2 Climate-related Disclosures sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The amendments are applied prospectively for annual periods beginning on or after January 1,2025. The Company is in the process of assessing the potential impact of this new standard upon adoption.

(Canadian dollars)

3 Segment information

For the fifteen months ended March 31, 2024 and twelve months ended December 31, 2022, the Company has two operating and reportable segments being: (1) AI and Technology; and (2) Health Care.

	Health Care $	AI and Technology $	Consolidated totals $
For the fifteen months ended March 31, 2024			
Revenue	**5,973,678**	**3,780,939**	**9,754,617**
Direct costs	**4,283,677**	**2,624,034**	**6,907,711**
Gross profit	**1,690,001**	**1,156,905**	**2,846,906**
Interest expense	**86,063**	**-**	**86,063**
Depreciation	**3,077,852**	**674,246**	**3,752,098**
Segment loss	**(15,592,214)**	**(8,338,173)**	**(23,930,387)**
For the twelve months ended December 31, 2022			
Revenue	25,910,222	4,578,717	30,488,939
Direct costs	18,465,780	1,828,016	20,293,796
Gross profit	7,444,442	2,750,701	10,195,143
Interest expense	16,744	1,679	18,423
Depreciation	1,781,500	1,010,378	2,791,878
Segment loss	(8,749,779)	(8,509,030)	(17,258,809)
As at March 31, 2024			
Segment total assets	**9,540,027**	**3,167,947**	**12,707,974**
Segment non-current assets	**7,279,434**	**1,755,419**	**9,034,853**
Segment liabilities	**11,272,109**	**431,402**	**11,703,511**
As at December 31, 2022			
Segment total assets	28,479,579	7,520,418	35,999,997
Segment non-current assets	14,306,049	6,075,210	20,381,259
Segment liabilities	12,190,171	1,041,181	13,231,352

The Company operates in two geographic locations, being Canada and Korea. Geographical information is summarized as follows:

	Canada $	Korea $	Total $
For the fifteen months ended March 31, 2024			
Revenue	**6,454,688**	**3,299,929**	**9,754,617**
Non-current assets	**8,780,460**	**254,393**	**9,034,853**

	Canada $	Korea $	Total $
For the twelve months ended December 31, 2022			
Revenue from external customers	28,312,374	2,176,565	30,488,939
Non-current assets	20,125,413	255,846	20,381,259

(Canadian dollars)

4 Trade and loan receivables

	March 31, 2024 $	December 31, 2022 $
Trade receivables	**380,863**	2,661,745
Sales taxes receivable	**865,820**	251,592
Loan receivable	**10,000**	10,000
Scientific Research and Experimental Development receivable	**921,110**	488,165
	2,177,793	3,411,502

5 Property and equipment

	Computer equipment, software and machinery $	Office equipment and furniture $	Electric Vehicle Solutions $	Leasehold improvements $	Total $
Cost					
Balance at December 31, 2021	228,434	36,102	-	-	264,536
Additions	1,709,737	1,683	937,903	350,000	2,999,323
Effect of foreign exchange	-	(1,646)	-	-	(1,646)
Balance at December 31, 2022	**1,938,171**	**36,139**	**937,903**	**350,000**	**3,262,213**
Additions	1,167,424	-	326,106	157,810	1,651,340
Acquisition of Imagine Health (note 14)	50,871	26,682	-	70,661	148,214
Disposition of EVS	-	-	(1,264,009)	-	(1,264,009)
Effect of foreign exchange	(3,225)	2,082	-	-	(1,142)
Balance at March 31, 2024	**3,153,241**	**64,903**	**-**	**578,471**	**3,796,616**
Accumulated depreciation					
Balance at December 31, 2021	170,130	22,941	-	-	193,071
Depreciation	145,188	5,417	-	-	150,605
Effect of foreign exchange	-	(1,667)	-	-	(1,667)
Balance at December 31, 2022	**315,318**	**26,691**	**-**	**-**	**342,009**
Depreciation	1,047,657	17,653	151,026	17,126	1,233,462
Impairment	507,011	-	-	-	507,011
Disposition of EVS	-	-	(151,026)	-	(151,026)
Effect of foreign exchange	(5,238)	(696)	-	-	(5,934)
Balance at March 31, 2024	**1,864,748**	**43,648**	**-**	**17,126**	**1,925,522**
Carrying amounts					
Balance at December 31, 2022	1,622,853	9,448	937,903	350,000	2,920,204
Balance at March 31, 2024	**1,288,494**	**21,255**	**-**	**561,345**	**1,871,094**

On November 13, 2023, the Company entered into an agreement related to the sale of its subsidiary, EVS, to New World Solutions Inc. (formerly Graph Blockchain Inc.) (“New World”). Pursuant to the agreement, New World agreed to acquire EVS for an aggregate purchase price of up to $3,750,000, contingent upon EVS achieving certain milestones. The Company may receive up to an additional $3,000,000 in Earn-Out Payments contingent upon EVS’s fulfillment of certain post-closing performance metrics. EVS assets have been deconsolidated as of December 7, 2023.

(Canadian dollars)

During the fifteen months ended March 31, 2024, the Company recorded an impairment loss of $297,325 related to certain COVID testing equipment as a result of the COVID-19 business virtually ending during the period and an impairment loss of $209,685 related to the hardware infrastructure of Nexalogy.

6 Goodwill and other intangible assets

	Goodwill $	Trademark $	Non-competition agreements and others $	Patents and developed technologies $	Customer relationships $	Total intangibles $
Cost						
Balance at December 31, 2021	2,972,348	400,000	14,530,337	17,191,576	1,262,000	33,383,913
Acquisition – EVS (note 14)	-	-	-	4,272,000	-	4,272,000
Balance at December 31, 2022	**2,972,348**	**400,000**	**14,530,337**	**21,463,576**	**1,262,000**	**37,655,913**
Acquisition – Imagine Health (note 14)	1,472,649	-	310,005	-	840,000	1,150,005
Disposition – EVS	-	-	-	(4,272,000)	-	(4,272,000)
Balance at March 31, 2024	**4,444,997**	**400,000**	**14,840,342**	**17,191,576**	**2,102,000**	**34,533,918**
Accumulated amortization and impairment losses						
Balance at December 31, 2021	**-**	**-**	**14,480,026**	**2,790,763**	**518,795**	**17,789,584**
Amortization	-	-	50,311	2,239,956	126,200	2,416,467
Impairment	-	-	-	6,745,317	-	6,745,317
Balance at December 31, 2022	**-**	**-**	**14,530,337**	**11,776,036**	**644,995**	**26,951,368**
Amortization	-	-	56,838	1,364,762	297,389	1,718,989
Disposition – EVS	-	-	-	(2,693,069)	-	(2,693,069)
Impairment	2,972,348	400,000	-	6,743,847	459,255	7,603,102
Balance at March 31, 2024	**2,972,348**	**400,000**	**14,587,175**	**17,191,576**	**1,401,639**	**33,580,390**
Carrying amounts						
Balance at December 31, 2022	2,972,348	400,000	-	9,687,540	617,005	10,704,545
Balance at March 31, 2024	**1,472,649**	**-**	**253,167**	**-**	**700,361**	**953,528**

Goodwill and intangible assets was initially recognized on acquisition of Nexalogy, Medi-Call, EVS and Imagine Health and is monitored at the cash-generating unit ("CGU") level. The Company noted indicators of impairment as at March 31, 2024, related to Nexalogy and Medi-Call, and, as a result, carried out an assessment of the impairment of its goodwill and other assets as noted below. In testing for impaiment, goodwill and other assets acquired in a business combination were allocated to the cash-generating units to which they related.

Nexalogy

Trademarks and other intangibles include indefinite life trademarks in the amount of $400,000 (December 31, 2022 - $400,000) relating to the Nexalogy brand. The goodwill and indefinite life trademarks are both a result of the Nexalogy acquisition. During the fifteen months ended March 31, 2024, the Company halted Nexalogy operations and management decided to shift focus to other business ventures resulting in the Company completely writing down its trademarks, other intangibles and goodwill by recording an impairment loss of $3,831,603.

(Canadian dollars)

Medi-Call

During the twelve months ended December 31, 2022, the Company recorded an impairment loss of $4,520,112 related to its developed technologies related to Medi-Call, due to Medi-Call falling short of the expected revenues and financial performance during the year. The impairment was determined using a value in use recoverable amount calculation, utilizing a 34.8% discount rate, which is consistent with the original valuation of the developed technology at the acquisition during the year ended December 31, 2021. During the fifteen months ended March 31, 2024, Medi-Call operation did not generate expected revenues and management decided to shift focus to other business ventures resulting in the Company completely writing down its developed technologies by recording an additional impairment loss of $6,743,847.

EVS

During the year ended December 31, 2022, the Company acquired EVS resulting in an increase in developed technologies of $4,272,000 (note 14). During the twelve months ended December 31, 2022, the Company recorded an impairment loss of $2,225,205 related to its developed technologies related to EVS, due to EVS falling short of the expected revenues and financial performance during the year. The impairment was determined using a value in use recoverable amount calculation, utilizing a 21% discount rate, which is consistent with the original valuation of the developed technology at the acquisition (note 14). As a result of the sale of EVS to New World, the intangible assets have been deconsolidated as of December 7, 2023.

7 Net change in operating assets and liabilities

	Fifteen months ended March 31, 2024 $	**Twelve months ended December 31, 2022 $**
Cash flows provided by (used in)		
Trade and loan receivables	**1,352,976**	2,252,652
Inventory	**(117,940)**	-
Prepaid expenses and other assets	**2,856**	(143,837)
Accounts payable and accrued liabilities and provisions	**(1,078,976)**	(3,225,509)
Income taxes payable	**(1,522,358)**	1,708,925
Deferred revenue	**(28,980)**	-
	(1,392,422)	592,231

8 Right-of-use asset and lease liability

During the year ended December 31, 2021, the Company entered into a new lease contract for its office on Yonge Street in Toronto. The lease expires in September 2024.

During the twelve months ended December 31, 2022, the Company entered into a new lease contract for its office on Arbutus Street in Vancouver. The lease expires in August 2032.

During the fifteen months ended March 31, 2024, the Company acquired two leases for its premise on 97 Street in Edmonton and 6th Avenue SE in Calgary (Note 14). The leases expire in December 2036 and December 2024, respectively.

(Canadian dollars)

Right-of-use asset

	$
Balance at December 31, 2021	**227,289**
Addition	3,781,679
Amortization charge for the year	(224,806)
Balance at December 31, 2022	**3,784,162**
Acquisition of Imagine Health (note 14)	1,753,067
Amortization charge for the period	(799,647)
Balance at March 31, 2024	**4,737,582**

Lease liability	$
Balance at December 31, 2021	**223,772**
Addition	3,781,679
Accretion on lease liability	4,455
Lease payments	(229,260)
Balance at December 31, 2022	**3,780,646**
Acquisition of Imagine Health (note 14)	1,753,067
Accretion on lease liability	35,428
Lease payments	(900,378)
Balance at March 31, 2024	**4,668,763**
Classified as current	**682,500**
Classified as non-current	**3,986,263**

When measuring the lease liability, the Company discounted lease payments using its incremental borrowing rate of 3.45% for lease agreements entered before 2023 and using its incremental borrowing rate of 9.70% to value the office lease entered during the year.

During the fifteen months ended March 31, 2024, rent expense related to an office premises lease, which was exempt from lease accounting due to its short-term nature, was $134,166. The rent expense associated with this lease is included within office and general in the consolidated statement of loss and comprehensive loss.

(Canadian dollars)

9 Debt

	March 31, 2024 $	December 31, 2022 $
Unsecured Canada Emergency Business Account funded by the Government of Canada. During the year ended December 31, 2020, the Company obtained an $80,000 loan under the Canada Emergency Business Account Program. If the Company repays $60,000 by December 31, 2023, the $20,000 balance will be forgiven. Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in 24 monthly blended instalments to the maturity date of December 31, 2025. Since there was reasonable assurance that the Company will repay $60,000 by December 31, 2023, the Company recognized $20,000 in profit or loss when the loan was granted. $30,000 was repaid during the fifteen months ended March 31, 2024.	**-**	**30,000**
Pursuant to the Share Purchase Agreement to acquire Imagine Health, the Company issued a secured vendor take-back note with a principal amount of $800,000 payable in installments of 6, 12 and 18 months from the date of issuance, with interest charged at a rate of 12% per annum on any amounts unpaid within 30 days of their due date. During the fifteen months ended March 31, 2024, the Company paid $266,667. The note is secured by the assets of Imagine Health (note 14).	**518,995**	**715,273**
	518,995	**745,273**
Less: Current portion of long-term debt	**(518,995)**	**(520,189)**
	-	**225,084**

10 Marketable Securities

The continuity of marketable securities for the fifteen months ended March 31, 2024 and twelve months ended December 31, 2022 is as follows:

	Justera Health Ltd. $	New World Solutions Inc. $	Total $
Balance, December 31, 2021	720,000	1,865,222	2,585,222
Purchased	430,000	-	430,000
Disposition	(80,040)	-	(80,040)
Fair value adjustment for the year	(715,966)	(1,740,873)	(2,456,839)
Balance, December 31, 2022	**353,994**	**124,349**	**478,343**
Addition	-	225,000	225,000
Disposition	-	(1,326,374)	(1,326,374)
Fair value adjustment for the period	(235,996)	1,652,025	1,416,029
Balance, March 31, 2024	**117,998**	**675,000**	**792,998**

During the fifteen months ended March 31, 2024, the Company received 15,000,000 shares of New World in connection with the sale of EVS (note 14) and sold 4,144,937 shares of New World for total proceeds of $241,783 resulting in a loss of $1,084,591.

11 Share capital and reserves

a) Common shares

The Company is authorized to issue an unlimited number of common shares with no par value.

For the fifteen months ended March 31, 2024:

During the fifteen months ended March 31, 2024, the Company issued 14,000,000 common shares for gross proceeds of $1,090,000 upon exercise of stock options.

During the fifteen months ended March 31, 2024, the Company repurchased 16,390,500 common shares of the Company for an aggregate amount of $1,210,677 under the Normal Course Issuer Bid. These common shares were returned to treasury and cancelled.

On February 26, 2024, the Company closed the non-brokered private placement of 50,000,000 units of the Company at a price of $0.02 per unit for aggregate gross proceeds of $1,000,000. Each Unit consists of one (1) common share of the Company ("Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one additional Share of the Company at a price of $0.05 per Share for a period of two (2) years from the date of issuance. The fair value of the Warrants was $Nil using the residual method. In connection with the Private Placement, the Company issued 160,000 broker warrants ("Broker Warrants") on gross proceeds raised by eligible arm's length parties. Each Broker Warrant is exercisable to acquire one Share of the Company at a price of $0.05 for a period of two (2) years. The fair value of the Broker warrants was $13,922 calculated using the Black-Scholes option pricing model with an expected life of two years, volatility of 80.03%, risk-free rate of 4.11%, and dividend yield of 0%. Insiders of the Company have participated in the Private Placement by subscribing for 8,250,000 Units.

For the twelve ended December 31, 2022:

On January 17, 2022, the Company issued 1,000,000 common shares for gross proceeds of $170,000 upon exercise of stock options.

On June 6, 2022, the Company issued 250,000 common shares for gross proceeds of $25,000 upon exercise of stock options.

On June 7, 2022, the Company issued 66,666,667 common shares with a fair value of $9,333,333 in connection with the acquisition of EVS (note 14).

On November 28, 2022, the Company issued 5,000,000 common shares with a fair value of $400,000 in connection with the acquisition of Imagine Health (note 14).

During the twelve months ended December 31, 2022, the Company repurchased 21,594,000 common shares for an aggregate amount of $2,368,397 under the Normal Course Issuer Bid. At December 31, 2022 a total of 17,807,500 common shares purchased for $2,040,351 were returned to treasury and cancelled, and 3,786,500 common shares purchased for $328,046 were returned to and remain in treasury.

(Canadian dollars)

b) **Share options**

The Company's omnibus equity incentive plan (the "Omnibus Plan") is a rolling plan which provides that the Board of Directors may from time to time, in its discretion, and in accordance with applicable policies of the TSX Venture Exchange ("TSXV"), grant options and restricted share units to acquire common shares to directors, officers and employees of the Company and its affiliates and to consultants, consultant companies and management company employees, provided that the common shares that may be reserved for issuance under the Omnibus Plan at any point in time will not be greater than 10% of the then issued and outstanding common shares. Options issued pursuant to the Omnibus Plan will have an exercise price determined by the Board of Directors provided that the exercise price will not be less than the "Discounted Market Price" as defined in the policies of the TSXV. The vesting of the Options is at the discretion of the Board, except in the case of an optionee performing investor relations activities, in which case the Omnibus Plan requires that options vest over a minimum of 12 months with no more than one quarter of such options vesting during any three month period.

Share options granted by the Company are recorded in "Reserves" in the consolidated statements of financial position as they vest. The following summarizes transactions involving share options issued by the Company:

	Number	**Weighted average exercise price $**
Options outstanding at December 31, 2021	**8,750,000**	**0.17**
Options exercised	(1,250,000)	0.16
Options expired	(4,800,000)	0.16
Options outstanding at December 31, 2022	**2,700,000**	**0.18**
Options granted	34,500,000	0.08
Options exercised	(14,000,000)	0.08
Options expired	(7,200,000)	0.08
Options outstanding at March 31, 2024	**16,000,000**	**0.08**

In June 2023, the Company granted 29,500,000 stock options with an exercise price of $0.08 expiring on June 9, 2025. The options vested immediately. The fair value was calculated to be $1,052,338 using the Black-Scholes option pricing model with the following assumptions: (1) expected life of the option: 2 years, (2) expected volatility: 78%, (3) expected dividend yield: 0%, and (4) risk-free interest rate: 4.36%.

In August 2023, the Company granted 5,000,000 stock options with an exercise price of $0.07 expiring on August 14, 2025. The options vested immediately. The fair value was calculated to be $160,857 using the Black-Scholes option pricing model with the following assumptions: (1) expected life of the option: 2 years, (2) expected volatility: 81%, (3) expected dividend yield: 0%, and (4) risk-free interest rate: 4.64%.

During the fifteen months ended March 31, 2024, the Company recorded stock-based compensation of $1,213,195 related to stock options.

(Canadian dollars)

c) **Warrants**

	Number	Weighted average exercise price $
Warrants outstanding at December 31, 2021 and 2022	**60,000,000**	**0.26**
Warrants issued	50,160,000	0.05
Warrants expired	(60,000,000)	0.26
Warrants outstanding at March 31, 2024	**50,160,000**	**0.05**

On June 18, 2023, a total of 60,000,000 warrants with an exercise price of $0.26 expired.

On February 26, 2024, the Company issued 50,000,000 share purchase warrants with an exercise price of $0.05 expiring in 2 years in connection with a non-brokered private placement. In addition, the Company issued 160,000 Broker Warrants under the same terms. All of these warrants remain outstanding at March 31, 2024.

The weighted average remaining life of the warrants outstanding at March 31, 2024 is 1.90 years (December 31, 2022 – 0.46).

d) **Restricted share units**

In January 2024, the Company granted 22,100,000 restricted share units ("RSU") in accordance with the Company's omnibus incentive plan to employees, directors, and consultants of the Company. Each RSU entitles the holder to acquire one Common Share on vesting, and the RSUs vest in 12 months. During the fifteen months ended March 31, 2024, the Company recorded share-based compensation of $74,874 related to the vesting of these RSUs.

In February 2024, the Company granted 12,500,000 RSUs to employees, directors, and consultants of the Company. Each RSU entitles the holder to acquire one Common Share on vesting, and the RSUs vest 12 months from the date of grant. During the fifteen months ended March 31, 2024, the Company recorded share-based compensation of $30,123 related to the vesting of these RSUs.

	Number
RSUs outstanding at December 31, 2021 and 2022	**-**
RSUs issued	34,600,000
RSUs outstanding at March 31, 2024	**34,600,000**

12 Related party transactions and balances

During the year, the Company incurred transactions with related parties, including companies controlled by its senior management and directors of the Company.

a) **Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities at March 31, 2024 was $12,600 (December 31, 2022 - $Nil) due to an officer of the Company.

(Canadian dollars)

b) **Loan receivable**

As at March 31, 2024, the Company has a loan receivable from New World in an amount of $10,000 (December 31, 2022 - $10,000). The loan is unsecured, non-interest bearing and repayable on demand.

c) **Compensation of key management personnel**

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. The Company considers key management personnel to include members of the Board of Directors and executive officers of the Company. Compensation to key management personnel is listed below:

	Fifteen months ended March 31, 2024		**Twelve months ended December 31, 2022**	
	Amount $	**Options vested**	**Amount $**	**Options vested**
Short term compensation	**725,657**	**-**	2,610,222	-
Services included in direct costs	**560,000**	**-**	-	-
Share-based compensation	**884,514**	**23,500,000**	-	-
	2,170,171	**23,500,000**	2,610,222	-

13 Fair values of financial instruments

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of management is to set policies that seek to minimize risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash and cash equivalents and trade and loan receivables.

Credit risk associated with cash and cash equivalents is minimized by ensuring these financial assets are maintained with financial institutions of reputable credit and may be redeemed upon demand. During the fifteen months ended March 31, 2024, the Company recorded allowance for expected credit losses relating to trade and loan receivables of $218,848 (December 31, 2022 - $2,698,673) included as the office and general expenses. The allowance for expected credit losses mainly relates to four (December 31, 2022 – two) customers with balances greater than $10,000 and is for the full amount of the trade receivables related to those customers, due to a change in the expected lifetime credit losses related to the trade receivables in question. At March 31, 2024, the Company's maximum exposure to risk of loss with respect to these financial instruments is limited to the carrying amounts in the consolidated statement of financial position. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

(Canadian dollars)

The aging of the Company's trade receivables is as follows:

	Less than 30 days $	30 days to 90 days $	Over 90 days $	Total $
Trade receivables	2,396,320	81,681	183,744	2,661,745
Sales tax recoverable	251,592	-	-	251,592
Loan receivable	-	-	10,000	10,000
Scientific Research and Experimental Development receivable	-	-	488,165	488,165
At December 31, 2022	**2,647,912**	**81,681**	**681,909**	**3,411,502**
Trade receivables[1]	250,169	-	361,664	380,863
Sales tax recoverable	12,276	41,419	812,124	865,820
Loan receivable	-	-	10,000	10,000
Scientific Research and Experimental Development receivable	-	-	921,110	921,110
At March 31, 2024	**262,446**	**41,419**	**1,873,927**	**2,177,793**

(1) The trade receivables are presented net of the allowance for expected credit losses described above of $218,848, which was recorded against trade receivables primarily over 90 days.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficult in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure it will have sufficient liquidity to meet operations, tax, capital and regulatory requirements and obligations, under both normal and stressed circumstances. Cash flow projections are prepared and reviewed by management to ensure a sufficient continuity of funding exists. The Company's financial liabilities are comprised of its accounts payable and accrued liabilities and loan payable. The payments for the Company's accounts payable and accrued liabilities are due in less than a year.

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows) of financial liabilities and commitments:

	12 months $	1 to 2 years $	Over 2 years $	Total $
Accounts payable and accrued liabilities	1,502,305	-	-	1,502,305
Loan payable	518,995	-	-	518,995
Lease liability	682,500	519,973	3,466,290	4,668,763
Income taxes payable	2,885,766	-	-	2,885,766
At March 31, 2024	**5,589,566**	**519,973**	**3,466,290**	**9,575,829**
Accounts payable and accrued liabilities	2,120,460	-	-	2,120,460
Loan payable	520,189	225,084	-	745,273
Lease liability	450,440	421,762	2,908,444	3,780,646
Income taxes payable	4,408,124	-	-	4,408,124
At December 31, 2022	**7,499,213**	**646,846**	**2,908,444**	**11,054,503**

The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns. Market risk is comprised of interest rate, foreign currency and other price risk. The Company's exposure to and management of market risks has not changed materially from that of the prior year.

Interest rate risk

Interest rate risk is the risk related to the fair value or future cash payments of interest-bearing financial instruments due to changes in interest rates. The Company is not exposed to market risk from changes in interest rates, as the Company does not have any debt instruments with variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to market risk from changes in foreign exchange rates, in particular the exchange rate between the Canadian Dollar and the Korean Won as Datametrex Korea transactions are denominated in Korean Won, which could affect operating results, financial position and cash flows. The Company is not exposed to a market risk from changes in foreign exchange rates between the Canadian Dollar and the U.S. Dollar as the Company holds minimal cash balance in U.S. Dollar and Korean Won accounts and has minimal trades receivable denominated in U.S. Dollars and Korean Won. The Company manages its exposure to this market risk through its regular operating and financing activities. A 1% change in the exchange rates between the Korean Won or U.S. Dollar and the Canadian Dollar would have an immaterial impact on these consolidated financial statements.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are cause by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market (other than interest rate risk and foreign currency risk). The Company's exposure to other price risk relates to its investments in marketable securities, which are publicly traded securities subject to market fluctuations of the quoted prices for the securities, which had a fair value at March 31, 2024 of $792,998 (December 31, 2022 - $478,343). Based on the Company's marketable securities as at March 31, 2024, and assuming all other variables remain constant, a 10% increase/decrease in the fair value of marketable securities would result in an increase/decrease of approximately $80,000 in comprehensive income/loss for the period.

Fair values of financial instruments

IFRS 13 - *Fair value measurement*, requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

Cash and cash equivalents, trade and loan receivables, accounts payable and accrued liabilities and loans payable, have relatively short periods to maturity, and as such, the carrying values contained in the consolidated statements of financial position approximate their estimated fair value.

(Canadian dollars)

The Company's marketable securities are measured at fair value in the consolidated statement of financial position in accordance with level 1 of the fair value hierarchy.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from the prior year.

The capital structure of the Company consists of shareholders' deficiency, which totaled $1,004,463 at March 31, 2024 (December 31, 2022 – shareholders' equity of $22,768,645). The availability of new capital will depend on many factors including positive stock market conditions, results of operations thereby access to suitable debt products, and the experience of management. The Company is not subject to any external covenants on its capital.

14 Business acquisitions and disposals

Ronin

In January 2019, the Company issued a statement of claim in the Ontario Superior Court of Justice against various vendors in connection to the Ronin Blockchain Corp. Transaction ("Ronin Vendors"). Some of the defendants have counterclaimed for shares of the Company allegedly owing under the share purchase agreement, under which the Company acquired Ronin Blockchain Corp. (subsequently dissolved), as well as damages. The action and counterclaim have not proceeded beyond the close of pleadings. On March 12, 2019, the Company entered into a final settlement with a 25% owner of the Ronin Vendors, and issued 2,000,000 common shares in satisfaction of an aggregate of $100,000 of indebtedness. As at March 31, 2024 and December 31, 2022, claims against the Company from the remaining Ronin Vendors amounted to a balance of $1,875,000, which is included in "Provisions".

EVS

In June 2022, the Company completed the acquisition of EVS, an arm's length privately held electric vehicle charging solution company incorporated under the laws of the Province of British Columbia, and issued 66,666,667 common shares (note 11) valued at $9,333,333. The acquisition of EVS was accounted as an asset acquisition. The purchase price of $9,333,333 was allocated as follows:

Purchase price	**$**	**9,333,333**
Patents and developed technologies (note 6)	$	4,272,000
Consideration paid in excess of asset acquired	$	5,061,333

The Company has accounted for the transaction as an asset acquisition under the scope of IFRS 2, *Share Based Payments*. Consideration consisted entirely of shares of the Company which were measured at the fair value of assets acquired. Management determined the fair value of the patents and developed technologies based on an external valuation. The difference between the fair value of the common shares issued of $9,333,333 and the fair value attributed to the identifiable intangible assets of $4,272,000 did not meet the criteria for recognition as an asset and consisted of unidentifiable goods or services, which were recognized at $5,061,333 in profit or loss.

On November 13, 2023, the Company entered into an agreement related to the sale of EVS to New World. Pursuant to the agreement, New World agreed to acquire EVS for an aggregate purchase price of up to $3,750,000, contingent upon EVS achieving certain milestones. The Company received 15,000,000 common shares of New World valued at $225,000 (note 10) and may receive up to an additional $3,000,000 in Earn-Out Payments contingent upon EVS's fulfillment of certain post-closing performance metrics. The sale resulted in a loss on deconsolidation of $2,574,937, which included bank indebtedness of $87,517, trade receivables of $61,733, intangible assets of $1,578,931, property and equipment of $1,112,983, prepaids and other assets of $154,130 and accounts payable and accrued liabilities of $20,323.

(Canadian dollars)

Imagine Health

In November 2022, the Company entered into a Share Purchase Agreement under which the Company acquired all of the issued and outstanding shares of Imagine Health located in Calgary, Alberta and Edmonton, Alberta. The purchase price was as follows: cash payment of $1,300,000 (paid), issuance of 5,000,000 common shares of the Company (issued) (note 11) and the issuance of a secured vendor take-back note with a principal amount of $800,000 payable in installments of 6, 12, and 18 months from the date of issuance (the "Note") (note 9). The Note is secured by the assets of Imagine Health. In addition, the Share Purchase Agreement includes a covenant to expand Imagine Health by way of working and growth capital contribution of up to $1,000,000 to Imagine Health over a period of 12 months from the date of the acquisition.

In May 2023, the Company obtained control over the operations in both locations and, as such, the acquisition was considered completed. The acquisition was accounted for as a business combination consistent with IFRS 3, *Business Combination*. The preliminary purchase price allocation was as follows:

Purchase price	**$**	**2,434,731**
Assets acquired and liabilities assumed		
Cash and cash equivalents	$	110,605
Trade and other receivables		181,000
Inventory		158,151
Property and equipment		148,215
Right-of-use asset		1,753,067
Intangible assets		1,150,005
Accounts payable and other liabilities		(481,144)
Lease liability		(1,753,067)
Deferred income taxes		(304,750)
Net asset acquired	$	962,082
Goodwill (note 6)		1,472,649
Total	**$**	**2,434,731**

Revenue and net loss of the Company had if the acquisition occurred on January 1, 2023 is as follows:

		As reported for the fifteen months ended March 31, 2024		**Pro-forma for the fifteen months ended March 31, 2024**
Revenue	$	9,754,617	$	11,064,973
Net loss	$	(23,930,387)	$	(23,754,126)

15 Contingency

A former employee of the Company filed a claim for wrongful dismissal seeking damages aggregating $135,000. The Company filed a defence and counterclaim denying the claim and counterclaiming for certain losses incurred by the Company. The Company intends to defend the claim vigorously and the outcome of the claim cannot be reasonably estimated at this time. Accordingly, no provision has been recorded for the fifteen months ended March 31, 2024.

16 Loss on settlement of accounts payable

In July 2023, the Company entered into an agreement with Justera Health Ltd. related to amend the pricing of COVID-19 testing services incurred during 2021 to 2023. This resulted in the Company recording a loss on settlement of $2,322,582 during the fifteen months ended March 31, 2024.

(Canadian dollars)

17 Income taxes

a) Amounts recognized in profit or loss:

	Fifteen months ended March 31, 2024 $	Twelve months ended December 31, 2022 $
Current tax expense – current year	**(1,522,358)**	**1,310,701**
Deferred tax expense (recovery)	**(324,937)**	**-**
Origination and reversal of temporary differences	**-**	**(322,109)**
Income tax expense	**(1,847,295)**	**988,592**

b) Reconciliation of the effective tax rate:

The provision for income taxes differs from the results that would be obtained by applying Canadian Federal and Provincial (Ontario) statutory income tax rates to profit or loss before income taxes. This difference results from the following:

	Fifteen Months ended March 31, 2024 %	Fifteen Months ended March 31, 2024 $	Twelve months ended December 31, 2022 %	Twelve months ended December 31, 2022 $
Profit (loss) before tax		**(25,777,682)**		**(16,270,217)**
Expected tax expense (recovery) at statutory tax rate	**26.5%**	**(6,831,086)**	**26.5%**	**(4,311,607)**
Tax effect on:				
Non-deductible expenses	**17.16%**	**4,424,671**	**22.10%**	**3,596,243**
Change in unrecognized deductible temporary differences	**3.40%**	**876,176**	**8.64%**	**1,405,840**
Other	**1.23%**	**(317,056)**	**1.83%**	**298,117**
	7.17%	**(1,847,295)**	**6.08%**	**988,592**

c) Movement in deferred tax balances:

	Balance – January 1, 2023 $	Recognized in profit or loss $	Balance – March 31, 2024 $
Intangible assets	**(272,869)**	**20,187**	**(252,682)**
Deferred income taxes	**(272,869)**	**20,187**	**(252,682)**

(Canadian dollars)

	Balance – January 1, 2022 $	Recognized in profit or loss $	Balance – December 31, 2022 $
Marketable securities	(157,468)	157,468	-
Intangible assets	(437,510)	164,641	(272,869)
Deferred income taxes	(594,978)	322,109	(272,869)

d) **Unrecognized deferred tax assets**

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the entities can use the benefits therefrom:

	Gross Amount – March 31, 2024 $	**Tax effect $**	**Gross Amount – December 31, 2022 $**	**Tax effect $**
Non-capital losses carried forward	**7,088,434**	**1,878,435**	5,455,434	1,441,430
Other deductible temporary differences	**2,526,137**	**669,426**	4,908,103	1,300,648
	9,614,571	**2,547,861**	10,363,537	2,742,078

e) **Non-capital losses carried forward**

Non-capital losses for which no deferred tax asset was recognized expire as follows:

	March 31, 2024 $	**Expiry Date**	**December 31, 2022 $**	**Expiry Date**
Non-capital losses carried forward (Canada)	6,899,114	2035 to 2044	5,389,895	2035 to 2042
Non-capital losses carried forward (Korea)	189,320	2034	65,539	2027

18 Subsequent events

In May 2024, the Company acquired all the assets of a mobile blockchain game, Cereal Crunch, from Sariel Diagnostics Corp., which includes the game software, intellectual property, user databases and the Crunch Token. For consideration, the Company issued 70,000,000 common shares.

In July 2024, the Company closed the first tranche of its non-brokered private placement of 32,275,000 units of the Company at a price of $0.02 per unit for aggregate gross proceeds of $645,500. Each Unit consists of one (1) common share of the Company ("Share") and one (1) common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one additional Share of the Company at a price of $0.05 per Share for a period of two (2) years from the date of issuance. Insiders of the Company have participated in the Private Placement by subscribing for 3,000,000 Units.