FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: Xtacy Therapeutics Corp. **Website: https://xtacytherapeutics.com/** **Listing Statement Date: July 16, 2009** **Description(s) of listed securities(symbol/type): XTCY**
Brief Description of the Issuer's Business: Xtacy Therapeutics Corp. is a prospect generator that provides high growth companies with financial, operational, and management assistance in the fast growing market for wellness consumer products. The focus of the Company is on global wellness, psychedelics, mycology, hemp and CBD, healthcare-related target companies
Description of additional (unlisted) securities outstanding
Jurisdiction of Incorporation: BC- Canada

Fiscal Year End: September 30, 2023		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): **August 16, 2023**		
Financial Information as at: [Date] September 30, 2023 also subsequent up to Apr 15, 2024		
	Current	**Previous**
Cash	**0**	**0**
Current Assets	**$102,434**	**$297,830**
Non-current Assets	**$265,001**	**0**
Current Liabilities	**$686,442**	**$721,119**
Non-current Liabilities	**$16,704**	**$25,367**
Shareholders' equity	**$(335,711)**	**$(448,656)**
Revenue	**0**	**0**
Net Income	**$(519,935)**	**$(1,368,727)**
Net Cash Flow from Operations	**$(80,697)**	**$(426,295)**

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient. **CEO of the Company.**

(b) A description of the transaction(s), including those for which no amount has been recorded.
Consulting fees and related expenses.

(c) The recorded amount of the transactions classified by financial statement category. **$120,000 for CEO consulting fees.**

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto. **$77,221 due to the CEO at year-end.**

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

None

(f) Contingencies involving Related Persons, separate from other contingencies.

None

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
January 20, 2023	Common shares	Shares for Debt	2,050,000	$0.10	$205,000	Debt	Consultant	N/A
March 17, 2023	Common Shares	Returned to Treasury	-555,556		N/A	N/A		N/A
April 5, 2023	Common Shares	Asset Payment	5,150,000	$0.08	$412,000	Property	Vendor	N/A
April 5, 2023	Common Shares	Shares for Debt	2,320,829	$0.08	$185,666.32	Debt	Consultants	N/A
Apr 5, 2023	Common Shares	Shares for Debt	1,871,762	$0.08	$149,740.96	Debt	Related Person – Officer & Director	N/A
May 15, 2023	Common Shares	Shares for Debt	810,250	$0.10	$81,025	Debt	Consultants	N/A

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
NA						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Unlimited number of Common Shares, no par-value
As at September 30, 2023, the Issuer had 49,214,971 common shares issued and outstanding.

(b) (b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Security Type	Exercise Price	Issue Date	Expiry Date	Quantity
Warrants	$0.30	2022-Feb-25	2025-Feb-25	2,703,890
Stock Options	$0.68	2019-Sep-06	2024-Sep-06	75,000
Stock Options	$0.68	2019-Nov-19	2024-Nov-19	25,000
Stock Options	$0.32	2020-May-14	2025-May-14	328,750
Stock Options	$0.32	2020-May-20	2025-May-20	37,500
Stock Options	$0.255	2021-Feb-24	2026-Feb-24	250,000

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not applicable

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

- Meris Kott – Director, President and Chief Executive Officer-
  Appointed November 30, 2017
- Lindsey R. Perry JR – Chief Financial Officer
  Appointed April 10, 2023
- Ashleigh Vogstad – Director
  Appointed October 19, 2019
- Monita Faris – Corp Secretary
  Appointed August 18, 2022

5. Financial Resources

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;
The Company is hopeful to begin MDMA clinical trials for Shanti Therapeutics.

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

Costs will be dependent on various factors that cannot yet be quantified specifically at this time.

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Funds needed will determined at a later date.

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

<u>Provide details: Please review Attached Financial Statements</u>

No.

7. Business Activity

a) Activity for a mining or oil and gas Listed Issuer

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details. NA

(ii) If the response to (i) above is "no", for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details. NA

b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details. No.

(ii) If the response to (i) above is "no", for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details. No

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated April 16, 2024

Meris Kott
Name of Director or Senior Officer

cs// "Meris Kott"
Signature

Director - CEO
Official Capacity

Issuer Details Name of Issuer **Xtacy Therapeutics Corp.**	For Year Ended September 30, 2023	Date of Report YY/MM/D 2024-04-16
Issuer Address Suite 1100-1111 Melville Street		
City/Province/Postal Code Vancouver BC	Issuer Fax No. ( )	Issuer Telephone No. (604) 484-0355
Contact Name Meris Kott	Contact Position CEO	Contact Telephone No. 604-484-0355
Contact Email Address Meriskott@icloud.com	Web Site Address www.xtacytherapeutics.com	

SCHEDULE A

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Consolidated Financial Statements

September 30, 2023

(Expressed in Canadian Dollars)

S H I M

SHIM & Associates LLP
Chartered Professional Accountants
Suite 900 – 777 Hornby Street
Vancouver, B.C. V6Z 1S4
T: 604 559 3511 | **F:** 604 559 3501

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.) (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of changes in shareholders' deficit, loss and comprehensive loss and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

"SHIM & Associates LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
April 14, 2024

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	**September 30, 2023** **$**	September 30, 2022 $
Assets			
Current assets			
Prepaid expenses		18,750	297,830
Loan receivable	4	83,684	-
		102,434	**297,830**
Non-current assets			
Loan receivable	4	265,001	-
Total assets		**367,435**	**297,830**
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities		686,442	721,119
		686,442	**721,119**
Non-current liabilities			
Loan payable	8	16,704	25,367
Total liabilities		**703,146**	**746,486**
Shareholders' deficit			
Share capital	5	34,967,862	34,186,420
Reserves		6,559,158	6,559,158
Subscriptions received in advance (receivable)		-	(136,000)
Commitment to issue shares		500,645	785,206
Deficit		(42,363,376)	(41,843,440)
Total shareholders' deficit		**(335,711)**	**(448,656)**
Total liabilities and shareholders' deficit		**367,435**	**297,830**

Nature of operations and going concern	1
Events after the reporting period	11

Approved on behalf of the Board of Directors on April 14, 2024:

"Meris Kott" **Director** *"Lindsey Perry Jr."* **Director**

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

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Consolidated Statements of Changes in Shareholders' Deficit

(Expressed in Canadian Dollars)

	Number of shares #	Share capital $	Reserves $	Subscriptions received in advance (receivable) $	Commitment to issue shares $	Deficit $	Total shareholders' deficit $
October 1, 2021	22,266,906	31,261,218	6,559,158	45,050	2,092,068	(40,474,713)	(517,219)
Shares issued for services	1,070,000	298,200	-	-	-	-	298,200
Shares issued for cash	3,269,446	588,500	-	(181,050)	-	-	407,450
Shares issued for Shanti acquisition	7,083,334	1,306,862	-	-	(1,306,862)	-	-
Shares issued for settlement of debts	3,878,000	731,640	-	-	-	-	731,640
Loss and comprehensive loss for the year	-	-	-	-	-	(1,368,727)	(1,368,727)
September 30, 2022	**37,567,686**	**34,186,420**	**6,559,158**	**(136,000)**	**785,206**	**(41,843,440)**	**(448,656)**
Subscriptions received	-	-	-	36,000	-	-	36,000
Subscriptions cancelled	(555,556)	(100,000)		100,000	-	-	-
Shares issued for settlement of debts	7,052,841	596,881	-	-	-	-	596,881
Share issued for KaleidoMyco acquisition	5,150,000	284,561	-	-	(284,561)	-	-
Loss and comprehensive loss for the year	-	-	-	-	-	(519,936)	(519,936)
September 30, 2023	**49,214,971**	**34,967,862**	**6,559,158**	**-**	**500,645**	**(42,363,376)**	**(335,711)**

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

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	**September 30, 2023** **$**	September 30, 2022 $
Operating expenses			
Bank charges		1,132	1,922
Interest expense		2,285	2,667
Consulting	7	811,629	624,465
Investor relations and marketing		-	482,500
Office and rent	7	-	13,572
Professional fees		45,080	121,100
Regulatory and filing		72,089	108,658
Travel	7	10,875	24,710
Loss from operating expenses		**(943,090)**	**(1,379,594)**
Recovery of bad debts	4	379,794	-
Interest income	4	21,825	-
Gain on debt settlement		24,551	11,426
Foreign exchange gain (loss)		(3,016)	(559)
Loss and comprehensive loss for the year		**(519,936)**	**(1,368,727)**
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	6	43,551,251	27,153,376
- Diluted #	6	43,551,251	27,153,376
Basic loss per share $	6	(0.01)	(0.05)
Diluted loss per share $	6	(0.01)	(0.05)

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

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	September 30, 2023 **$**	September 30, 2022 $
Operating activities		
Loss for the year	(519,936)	(1,368,727)
Adjustments for:		
Interest income	(21,825)	-
Gain on settlement	(379,794)	-
Unrealized foreign exchange loss	1,259	-
Shares issued for services	-	298,200
Accrued interest	737	2,667
Gain on debt settlement	(24,551)	(11,426)
Changes in non-cash working capital items:		
Prepaid expenses	279,080	(297,830)
Accounts payable and accrued liabilities	584,333	950,821
	(80,697)	**(426,295)**
Financing activities		
Proceeds from loan payable	26,600	24,992
Repayment of loan payable	-	(78,829)
Proceeds from loan receivable	51,675	-
Bank overdraft	2,422	47,054
Private placements, net	-	407,450
	80,697	**400,667**
Net change in cash	-	(25,628)
Cash, beginning of year	-	25,628
Cash, end of year	**-**	**-**
Supplemental cash flows disclosure:		
Cash paid for interests	-	2,292
Cash paid for income taxes	-	-
Shares issued for acquisitions	284,561	1,306,862
Shares issued for debt settlements	596,881	731,640

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

1. Nature of operations and going concern

Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.) (the “Company”) was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to British Columbia on January 30, 2006. The Company’s shares are publicly traded on the Frankfurt Exchange, OTCQB and Canadian Stock Exchange (the “CSE”) under the symbol “XTCY”.

On August 2, 2018, the Company completed a change of business and corporate name change to become a merchant bank focused on medical cannabis non-THC, CBD and hemp in both Canada and the United States. The head office, principal address and records office of the Company are located at 1100 - 1111 Melville St Vancouver, British Columbia V6E 3V6.

On September 25, 2023, the Company completed a corporate name change to Xtacy Therapeutics Corp.

These consolidated financial statements (the “financial statements”) have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2023, the Company is not able to finance day-to-day activities through operations and continues to incur losses. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings and loans from directors and companies controlled by directors. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. Significant accounting policies

(a) Basis of presentation

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

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars, which is the functional currency of the Company. See Note 2(b) for details of the Company’s subsidiaries and their functional currencies.

2. Significant accounting policies (continued)

(b) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status	Functional Currency	Ownership Percentage
Ultra Invest Canada Inc. (“Ultra Invest”)	Canada	Inactive	CAD Dollar	100%
Ona Power Oil & Gas Corp. (“Ona”)	United States	Inactive	US Dollar	100%
Shanti Therapeutics PTY Ltd. (“Shanti”)	Australia	Inactive	AUS Dollar	100%
KaleidoMyco, LLC (“KM”)	United States	Inactive	US Dollar	100%

(c) Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2023 and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(d) Financial instruments

The Company classifies its financial assets or liabilities in the following categories: fair value through profit or loss (“FVTPL”) or amortized cost. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Non-derivative financial assets and liabilities

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

Financial assets / liabilities	Classification
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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

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

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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

Financial liabilities

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

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

Gains and losses on de-recognition are generally recognized in profit or loss.

2. Significant accounting policies (continued)

(e) Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the parent company's functional and presentational currency. The functional currency of Ultra Invest is the Canadian dollar, the functional currency of Ona and KM is the US dollar and the functional currency of Shanti is the Australian dollar.

Transactions and balances:

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

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

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

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

Exchange differences arising on translation of foreign operations are recorded to the Company's foreign currency translation reserve. These differences are recognized in the profit or loss in the period in which the operation is disposed of.

(f) Impairment

Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the cash-generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

2. Significant accounting policies (continued)

(g) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, warrants or options are recognized as a deduction from equity, net of tax.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of common shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the warrants. Any fair value attributed to warrants is recorded to reserves.

(h) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to officers, directors, employees and consultants to acquire shares of the Company.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments granted. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in a grant with graded vesting is considered a separate grant with a different vesting date and fair value.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense with a corresponding increase in reserves. When options are exercised, the consideration received is recorded as share capital and the related share-based payments originally recorded to reserves are transferred to share capital. When an option is cancelled, or expires, the amount previously recorded is share-based payments is transferred to deficit.

2. Significant accounting policies (continued)

(i) Acquisitions

The acquisition method of accounting is used to account for acquisitions. The cost of an acquisition is measured as the aggregate fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

If the investee constitutes a business, as defined by IFRS, the acquisition is accounted for as a business combination whereby identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in net loss.

If the investee does not meet the definition of a business, the acquisition is accounted for as an asset acquisition, whereby the cost of the acquisition is allocated between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. No goodwill can be recognized in an asset acquisition.

(j) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected 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 income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(k) Loss per share

The Company presents basic and diluted loss per share ("LPS") data for its common shares. Basic LPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted LPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held, and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

2. Significant accounting policies (continued)

(l) Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

(ii) The fair value of the convertible loan receivables is determined using a discounted cash flow technique which includes inputs that are not based on observable market data and inputs that are derived from observable market data. Where available, the Company seeks comparable interest rates and if unavailable, it uses those considered appropriate for the risk profile of a corporation in the industry.

(iii) The application of the Company's accounting policy for contingent consideration requires judgment in determining and measuring the fair value. This requires management to make certain estimates and assumptions about future events or circumstances, including but not limited to assumptions relating to assessing probabilities of the contingent consideration and timing of the contingent payments. Estimates and assumptions made may change if new information becomes available.

Judgments

(i) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(ii) Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Additionally, judgment is required to assess whether any amounts paid on the achievement of agreed upon milestones represents contingent consideration or compensation for post-acquisition services. Judgment is also required to assess whether contingent consideration arising from an acquisition should be classified as a liability or equity. Contingent consideration classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement by the Company is accounted for within shareholders' equity. Contingent consideration classified as a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 – Financial Instruments: Recognition and Measurement, or IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, with changes recorded to profit or loss.

(iii) Estimates are made as to the fair value of assets and liabilities acquired. In certain circumstances, such as the valuation of property and equipment, intangible assets and/or goodwill acquired, the Company may rely on independent third-party valuators. The determination of these fair values may involve a variety of assumptions, including revenue growth rates, expected operating income, and discount rates.

3. Acquisitions and investments

KaleidoMyco, LLC ("KM")

On April 5, 2021, and as amended on September 24, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement and an Agreement Amendment (collectively the "Purchase Agreement") with KM, a private Florida, United States company, whereby the Company would purchase all the membership interest in KM in one tranche representing a 51% membership interest and the second tranche representing a 49% membership interest. There were no specified assets acquired.

In consideration for the purchase of the assets and membership interests, the Company shall pay KM the following:

A. $850,000 ("Purchase Price") in common shares of the Company.
B. Bonus of $2,500,000 in common shares of the Company if the assets realize $2,000,000 in revenues in year two following closing.

The Purchase Price shall be tendered as follows:

(i) $437,500 in common shares upon closing, payable in two instalments representing a 51% of membership interest as follows:

  a. $87,500 in common shares (350,000 shares issued) with a fair value of $58,040 upon signing of definitive agreement;
  b. $350,000 in common shares (1,400,000 shares issued) with a fair value of $232,159.

(ii) $412,500 in common shares (5,150,000 shares issued) for the remaining 49% of the membership interest with a fair value of $284,561 (Note 5).

Earn-Out Consideration:

As part of the consideration paid, the Company is required to issue additional common shares to KM upon the satisfaction of provisions applicable to one earn-out consideration (the "Earn-Out"). As follows:

- Earn-Out: The Company is required to issue $2,500,000 in common shares with a grant date fair value of $85,955 recorded as a commitment to issue shares, upon KM realizing $2,000,000 in revenues in year two following closing or if KM is granted a formula products patent.

The Earn-Out is payable if, and only if, the applicable target has been met. The Earn-Out was recognized on the acquisition date as contingent consideration. The measurement of contingent consideration is impacted by estimated probabilities and the likelihood that the target will be met, which is payable in common shares, if such target is met. This estimated probability is subjective and is significantly impacted by various factors as of the acquisition date. As of the acquisition date, September 30, 2021, the Company estimated 5% probability of the Earn-Out being met and estimated fair value is determined to be $85,955. The Earn-Out is accounted for under IFRS 2 – Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as KM does not meet the definition of a business under *IFRS 3, Business Combinations*.

(Expressed in Canadian Dollar)

3. Acquisitions and investments (continued)

KaleidoMyco, LLC ("KM") (continued)

In accordance with *IFRS 2 – Share based payments*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:		
1,750,000 common shares at $0.17 per share	$	290,199
Commitment to issue shares		284,561
Contingent consideration		85,955
Total consideration		660,715

During the year ended September 30, 2021, the Company recorded the consideration paid as share-based payments in the total amount of $660,715.

The shares issued to the shareholders of KM are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

Shanti Therapeutics PTY Ltd. ("Shanti")

On September 27, 2021, the Company signed a Share Purchase Agreement to acquire 100% interest in Shanti Therapeutics Pty Ltd. ("Shanti"), which is focused on psychedelic MDMA-based drug development research. There were no specified assets acquired.

In consideration for the acquisition, the Company shall pay the following:

A. $2,500,000 ("Shanti Purchase Price") in common shares with a grant date fair value of $1,890,195; and
B. Contingent consideration of $2,500,000 in common shares with a grant date fair value of $414,690 recorded as commitment to issue shares, based on certain performance measures.

The Shanti Purchase Price shall be tendered as follows:

(i) $2,500,000 in common shares upon closing, payable in 4 instalments representing a 100% of interest as follows:
  a. $625,000 in common shares (3,472,222 shares issued) upon signing of definitive agreement;
  b. $625,000 in common shares on or before February 28, 2022 (2,500,000 shares issued) (Note 5);
  c. $625,000 in common shares on or before March 22, 2022(2,500,000 shares) (Note 5); and
  d. $625,000 in common shares on or before April 20,2022 (2,083,334 shares issued) (Note 5).

<u>Contingent consideration:</u>

As part of the consideration paid, the Company will issue common shares to Shanti upon the satisfaction of provisions applicable to four earn-out considerations (collectively the "Shanti Earn-Outs"). As follows:

- First Earn-Out: $625,000 in common shares upon the establishment of a medical advisory board and scientific board;

- Second Earn-Out: $625,000 in common shares upon the proof of concept trial registered with the trial authority;

- Third Earn-Out: $625,000 in common shares upon the clinical trial notification granted; and

- Fourth Earn-Out: $625,000 in common shares upon the ethics approval.

(Expressed in Canadian Dollar)

3. **Acquisitions and investments** (continued)

Shanti Therapeutics PTY Ltd. ("Shanti")

The Shanti Earn-Outs are payable if, and only if, applicable targets have been met. The measurement of the Shanti Earn-Outs is impacted by estimated probabilities and the likelihood that these items will be met, which is payable in common shares, if such targets are met. These estimated probabilities are subjective and are significantly impacted by various factors as of the acquisition date.

As of the acquisition date and September 30, 2021, the Company estimated the fair value of the First Shanti Earn-Out at $262,292 with a 60% probability of the target being met, the fair value of the Second Shanti Earn-Out at $87,247 with a 20% probability of the target being met, the fair value of the Third Shanti Earn-Out at $43,493 with a 10% probability of the target being met, and the fair value of the Fourth Shanti Earn-Out at $21,658 with a 5% probability of the target being met.

As at September 30, 2021, the estimated fair value of the Shanti Earn-Outs was determined to be $414,690. The Shanti Earn-Out is accounted for under IFRS 2-Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as Shanti does not meet the definition of a business under *IFRS 3, Business Combinations.*

In accordance with *IFRS 2,* the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:		
3,472,222 common shares at $0.17 per share	$	583,333
Commitment to issue shares		1,306,862
Contingent consideration		414,690
Total consideration	$	2,304,885

The common shares are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

4. Loan receivable

Biominerales Pharma Corp.

In August 2018, the Company previously advanced $255,000 pursuant to a convertible secured promissory note with Biominerales Pharma LLC ("Biopharma"). Advance was secured by the assets of Biopharma and bore interest at 14% per annum, payable monthly. The note was convertible into common shares of Biopharma at a price equal to a 10% discount to the price assigned to the common shares of Biopharma from any financing immediately prior to the date of conversion. In October 2018, a further $255,000 was loaned to Biopharma under the same terms. During the year ended September 30, 2020, the Company fully impaired the loans receivable of $505,000 due to uncertainties of collection.

Effective April 1, 2023, Biopharma agreed to repay US$350,000 to the Company over the next 29 months as follows:

(i) US$15,000 upon execution of the debt repayment agreement (paid),
(ii) US$4,000 per month for the six months from April, 2023 to September, 2023 (paid),
(iii) US$6,000 per month for each of the six months from October, 2023 to March, 2024,
(iv) US$10,000 per month for each of the six months from April, 2024 to September, 2024,
(v) US$15,000 per month for each of the six months from October, 2024 to March, 2025,
(vi) US$21,666.66 for each of the five months from April, 2025 to August, 2025, and
(vii) US$16,666.70 on September 1, 2025.

Using a risk-adjusted discount rate of 15%, the fair value of the loan receivable was calculated as US$280,643 at the effective date, and it was recorded as a recovery of bad debts. As at September 30, 2023, the book value of the loan receivable was $348,685 (US$257,903). During the year ended September 30, 2023, interest income was $21,825 (US$16,260).

5. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited preferred shares without par value. No preferred shares have been issued.

Transactions for the issue of share capital during the year ended September 30, 2023

On January 20, 2023, the Company issued 2,050,000 common shares with a fair value of $184,500 as debt settlements. In connection with the shares issued for debts, the Company recognized a gain of $20,500.

On March 17, 2023, 555,556 common shares with a fair value of $100,000 were returned to treasury and cancelled.

On April 5, 2023, the Company issued 4,192,591 common shares with a fair value of $335,407 as debt settlements. In connection with the shares issued for debts, no gains or losses were recognized.

On April 5, 2023, the Company issued 5,150,000 common shares for consideration of the acquisition of KM with a fair value of $284,561 (Note 3)

On May 15, 2023, the Company issued 810,250 common shares with a fair value of $76,974 as debt settlements. In connection with the shares issued for debts, the Company recognized a gain of $4,051.

5. Share capital (continued)

Transactions for the issue of share capital during the year ended September 30, 2022

On October 14, 2021, the Company issued 1,360,000 common shares with a fair value of $408,000 as debt settlements and bonuses for services rendered. In connection with the shares issued for debts, the Company recognized a loss of $4,000.

On February 22, 2022, the Company closed a non-brokered private placement and issued 3,269,446 units for gross proceeds of $588,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 3 years from the date of issue, one additional common share of the issuer at an exercise price of $0.30 per common share.

On June 22, 2022, the Company issued 2,500,000 shares for consideration of the acquisition of Shanti with a fair value of $625,000 (Note 3).

On June 22, 2022, the Company issued 1,850,000 common shares with a fair value of $444,000 as debt settlements. The Company recognized a gain of $18,500.

On July 12, 2022, the Company issued 238,000 common shares with a fair value of $42,840 as debt settlements and bonuses for services rendered. In connection with the shares issued for debts, the Company recognized a gain of $3,360.

On July 27, 2022, the Company issued 1,500,000 common shares with a fair value of $150,000 as debt settlement. The Company recognized a gain of $15,000.

On September 16, 2022, the Company issued 2,500,000 common shares for consideration of the acquisition of Shanti with a fair value of $625,000 (Note 3).

On September 29, 2022, the Company issued 2,083,334 common shares for consideration of the acquisition of Shanti with a fair value of $625,000 (Note 3).

Stock options

The Company has adopted a stock option plan (the “Plan”) whereby the Company may from time to grant to Directors, Officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company’s common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

(Expressed in Canadian Dollar)

5. **Share Capital** (continued)

Stock options (continued)

A summary of the status of the Company's stock options and changes is as follows:

	Year ended September 30, 2023		Year ended September 30, 2022	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of year	716,250	0.35	716,250	0.35
Granted	-	-	-	-
Expired/cancelled	-	-	-	-
Options outstanding, end of year	**716,250**	**0.35**	716,250	0.35

As at September 30, 2023, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Expiry date
75,000	75,000	0.68	September 6, 2024
25,000	25,000	0.68	November 19, 2024
328,750	328,750	0.32	May 14, 2025
37,500	37,500	0.32	May 20, 2025
250,000	250,000	0.255	February 24, 2026
716,250	**716,250**		

The following table summarizes information about the stock options outstanding as at September 30, 2023:

Number of options outstanding #	Weighted average remaining life (years)	Weighted average exercise price $
716,250	**1.81**	**0.35**

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

(Expressed in Canadian Dollar)

5. Share Capital (continued)

Warrants (continued)

A summary of the status of the Company's warrants as at September 30, 2023 and 2022, and changes during the years then ended is as follows:

	Year ended September 30, 2023		Year ended September 30, 2022	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of year	3,269,446	0.30	3,269,446	0.30
Private placement warrants issued	-	-	-	-
Private placement warrants expired	(555,556)	0.30	-	-
Warrants outstanding, end of year	**2,713,890**	**0.30**	3,269,446	0.30

As at September 30, 2023, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date
2,713,890	0.30	February 22, 2025
2,713,890		

Restricted Share Unit

In August 2022, the Company adopted a 10% rolling restricted share unit plan ("RSU Plan") which reserves for the grant of RSUs to a maximum of 10% of the issued and outstanding common shares. The RSU Plan is a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

No RSUs have been granted as of September 30, 2023,

6. Loss per share

The calculation of basic and diluted loss per share for the year ended September 30, 2023 was based on the loss attributable to common shareholders of $519,936 (2022 - $1,368,727) and a weighted average number of common shares outstanding of 43,551,251 (2022 – 27,153,376).

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

(Expressed in Canadian Dollar)

7. Related party payables and transactions

A number of key management personnel and directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the years ended September 30, 2023 or September 30, 2022.

Meris Kott, the Company's President and CEO receives a monthly consulting fee and incentive stock options. All other key management personnel and directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days notice. Key management personnel and directors participate in the Company's stock option plan.

No stock options were granted during the year ended September 30, 2023 to Directors and Officers (2022 - Nil).

The Company transacted with the following related parties:

(a) 1060606 BC Ltd. ("106 BC Ltd.") is a consulting firm over which the CEO of the Company has significant influence and ownership. Charges are for consulting, travel, office rent and administration.

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Fees Year ended September 30, 2023 $	Fees Year ended September 30, 2022 $	**Balances outstanding September 30, 2023 $**	Balances outstanding September 30, 2022 $
Meris Kott and 1060606 B.C Ltd	120,000	120,000	77,221	119,746
	120,000	120,000	**77,221**	119,746

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Consulting and travel expenses
- Includes Meris Kott fee related to consulting, administrative and travel related expenses.

8. Loan payable

On May 15, 2022, the Company signed an unsecured Balloon Promissory Note (the "Loan") with an arm's length party. On May 15, 2023, the principal amount of the Loan was amended to be $15,967. The Loan continues to bear interest at 4% annually and is now due on May 15, 2025 (the "Maturity Date"). Following the Maturity Date, both principal and accrued interest shall bear interest at the rate of 8% annually. The Loan may be repaid at any time in whole or in part without penalty. As at September 30, 2023, the accrued interest on the Loan was $737 and the total loan payable was $16,704.

9. Financial risk management

Capital management

The Company is a merchant bank and considers items included in shareholders' deficit as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company’s capital structure as at September 30, 2023 is comprised of shareholders’ deficit of $335,711 (September 30, 2022 - $448,656). There were no changes to the Company’s management of capital during the year ended September 30, 2023.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company’s ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to borrow or raise additional financing from equity markets.

Financial instruments – fair value

The Company’s financial instruments consist of loan receivable, accounts payable and accrued liabilities and loan payable.

The carrying value of accounts payable and accrued liabilities and loan payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s contingent consideration was measured using Level 3 inputs.

Financial instruments - risk

The Company’s financial instruments are exposed to certain financial risks, including credit risk, foreign exchange risk, and liquidity risk.

a) 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. The Company has no cash. The maximum exposure to credit risk is the carrying amount of the Company’s loan receivable from Biopharama.

b) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

(Expressed in Canadian Dollar)

9. Financial risk management

Financial instruments - risk (continued)

c) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

10. Income taxes

The provision for income tax, both current and deferred, differs from the amount calculated by applying the combined expected federal and provincial rate to profit before taxes. The reasons for these differences are as follows:

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

		2023		2022
Loss for the year	$	(519,936)	$	(1,368,727)
Expected income tax (recovery)	$	(140,383)	$	(369,556)
Permanent differences		(6,629)		(3,085)
Change in unrecognized deductible temporary differences		147,012		372,641
Total income tax recovery	**$**	**-**	**$**	**-**

As of September 30, 2023, the Corporation has approximately the following tax pools available as a deduction from future income at the prescribed tax rates. These tax pools are subject to confirmation by income tax authorities:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences	**$**		**$**	
Share issue costs	4,000	2024 to 2025	14,000	2023 to 2024
Allowable capital losses	147,000	No expiry date	147,000	No expiry date
Non-capital losses	6,814,000	2026 to 2043	6,259,000	2026 to 2042

As of September 30, 2023, the Company has non-capital losses of approximately $6,814,000 (2022 - $6,259,000) available to carry forward to reduce future years' taxable income.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. Events after the reporting period

On October 16, 2023, the Company issued an aggregate of 2,361,500 common shares to settle debts of $118,075.

On November 17, 2023, the Company issued an aggregate of 3,000,000 common shares to settle debts of $150,000.

On February 7, 2024, the Company entered into an LOI with AVM Biotechnology Inc. (“AVM”) based in Seattle, Washington, a clinical stage company developing therapeutics for cancer and autoimmune diseases. The transaction contemplates a 100% acquisition of the shares of AVM into an Xtacy subsidiary. The transaction is subject to regulatory approval, and the Company and AVM will complete all of their due diligence prior to execution of a definitive agreement.

SCHEDULE B

Management's Discussion and Analysis

For the years ended September 30, 2023 and 2022

DATE AND SUBJECT OF REPORT

The following management's discussion and analysis (the "MD&A") of the financial condition and results of the operations of Xtacy Therapeutics Corp. (formerly Global Wellness Strategies Inc.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended September 30, 2023 and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2023 and 2022. The financial statements and MD&A of the Company are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. References to "US$" are to United States dollars. Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.redfundcapital.com. You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended September 30, 2023 and 2022, are also referred to as "fiscal 2023" and "fiscal 2022".

The effective date of this MD&A is April 14, 2024

Forward-Looking Statements

This MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are usually preceded by, followed by or include the words 'believes', 'expects', 'anticipates', 'estimates', 'intends', 'plans', 'forecasts', 'may', 'will', or similar expressions, although not all forward-looking statements contain these words. These forward-looking statements are based on management's current expectations and involve numerous risks and uncertainties. Such uncertainties may include general economic, political or market uncertainties in Canada or elsewhere, changes to regulatory or compliance requirements, changes in government policies, the risks inherent in a development stage business, the possible future impact of tax exposures, currency and exchange rate fluctuations, changes in interest rate, all of which are difficult or impossible to predict accurately. While we believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. Forward-looking statements are not guarantees of future performance. Actual results may be differ materially from those implied be the forward-looking statements. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

Description of Business

The Company was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to British Columbia on January 30, 2006. On August 2, 2018, the Company completed a change of business and corporate name change to Global Wellness Strategies Inc. to become a merchant bank focused on medical cannabis and hemp. The Company's shares are publicly traded on the OTC Markets, Frankfurt Exchange and Canadian Stock Exchange (the "CSE") under the symbol "XTCY".

The Company provides advisory services, debt and equity funding in the mid to late stages of a target company's development, or in technologies that are developed and validated but may be in the early stage of commercialization in the medical cannabis, hemp, CBD and biotechnical markets. The head office, principal address and records office of the Company are located at 1100 - 1111 Melville St Vancouver, British Columbia V6E 3V6.

On September 25, 2023, the Company completed a corporate name change to Xtacy Therapeutics Corp.

CORPORATE UPDATES

Directors and Officers of the Company

The board of directors of the Company consists of Meris Kott, Ashleigh Vogstad and Lindsey Perry Jr. The management team of the Company is comprised of Meris Kott, CEO, Lindsey Perry Jr, CFO and Monita Faris, Corporate Secretary.

Outlook

Xtacy Therapeutics Inc completed vertically integrated acquisitions in the 2021 fiscal year. The Company will focus in 2024 in developing those acquisitions through additional revenue streams, advancing research initiatives, corporate advisory services, joint venture partnerships, corporate re-organizations, valuation adjustments, corporate development strategy and possible consumer packaged goods products.

Going Concern

The Company incurred a loss and comprehensive loss of $519,936 for the year ended September 30, 2023, has an accumulated deficit of $42,363,376 and has had recurring losses since inception. The Company does not have sufficient funds to sustain its operations over the next twelve months. Management is considering all possible financing alternatives, including equity and debt financing to finance the future operations.

The ability to continue operating as a going concern is dependent on raising additional funding to develop successful businesses. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These circumstances lead to substantial doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, as to the appropriateness of the use of accounting principles applicable to a going concern.

OVERALL PERFORMANCE

The Company is a prospect generator that provides high growth companies with financial, operational, and management assistance in the fast-growing market for wellness consumer products. The focus of the Company is on global wellness, psychedelics, mycology, hemp and CBD, healthcare-related target companies. The Company made several secured loans to cannabis companies during the year ended September 30, 2019. As at the year ended September 30, 2022, the Company initiated acquisitions in order to diversify into potential consumer packaged goods and psychedelic MDMA-based drug development research in both the United States and Australia.

Investments

KaleidoMyco, LLC ("KM")

KaleidoMyco, is a company focused on myco-dosing with functional mushrooms and the production of consumer packaged wellness products. KaleidoMyco, is one of the first companies combining hemp extract and adaptogens. On April 5, 2021, and as amended on September 24, 2021, the Company entered into a Limited Liability Company Membership Interest Purchase Agreement and an Agreement Amendment (collectively the "Purchase Agreement") with KM, a private Florida, United States company, whereby the Company would purchase all the membership interest in KM in one tranche representing a 51% membership interest and the second tranche representing a 49% membership interest. There were no specified assets acquired.

In consideration for the purchase of the assets and membership interests, the Company shall pay KM the following:

A. $850,000 (“Purchase Price”) in common shares of the Company.
B. Bonus of $2,500,000 in common shares of the Company if the assets realize $2,000,000 in revenues in year two following closing.

The Purchase Price shall be tendered as follows:

(i) $437,500 in common shares upon closing, payable in two instalments representing a 51% of membership interest as follows:

   a. $87,500 in common shares (350,000 shares issued) with a fair value of $58,040 upon signing of definitive agreement;
   b. $350,000 in common shares (1,400,000 shares issued) with a fair value of $232,159.

(ii) $412,500 in common shares (5,150,000 shares issued) for the remaining 49% of the membership interest with a fair value of $284,561.

<u>Earn-Out Consideration:</u>

As part of the consideration paid, the Company is required to issue additional common shares to KM upon the satisfaction of provisions applicable to one earn-out consideration (the “Earn-Out”). As follows:

- Earn-Out: The Company is required to issue $2,500,000 in common shares with a grant date fair value of $85,955 recorded as a commitment to issue shares, upon KM realizing $2,000,000 in revenues in year two following closing or if KM is granted a formula products patent.

The Earn-Out is payable if, and only if, the applicable target has been met. The Earn-Out was recognized on the acquisition date as contingent consideration. The measurement of contingent consideration is impacted by estimated probabilities and the likelihood that the target will be met, which is payable in common shares, if such target is met. This estimated probability is subjective and is significantly impacted by various factors as of the acquisition date. As of the acquisition date, September 30, 2021, the Company estimated 5% probability of the Earn-Out being met and estimated fair value is determined to be $85,955. The Earn-Out is accounted for under IFRS 2 – Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as KM does not meet the definition of a business under *IFRS 3, Business Combinations*.

In accordance with *IFRS 2 – Share based payments*, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:		
1,750,000 common shares at $0.17 per share	$	290,199
Commitment to issue shares		284,561
Contingent consideration		85,955
Total consideration		660,715

During the year ended September 30, 2021, the Company recorded the consideration paid as share-based payments in the total amount of $660,715.

The shares issued to the shareholders of KM are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

Shanti Therapeutics PTY Ltd. ("Shanti")

On September 27, 2021, the Company signed a Share Purchase Agreement to acquire 100% interest in Shanti Therapeutics Pty Ltd. ("Shanti"), which is focused on psychedelic MDMA-based drug development research. There were no specified assets acquired.

In consideration for the acquisition, the Company shall pay the following:

A. $2,500,000 ("Shanti Purchase Price") in common shares with a grant date fair value of $1,890,195; and
B. Contingent consideration of $2,500,000 in common shares with a grant date fair value of $414,690 recorded as commitment to issue shares, based on certain performance measures.

The Shanti Purchase Price shall be tendered as follows:

(i) $2,500,000 in common shares upon closing, payable in 4 instalments representing a 100% of interest as follows:
    a. $625,000 in common shares (3,472,222 shares issued) upon signing of definitive agreement;
    b. $625,000 in common shares on or before February 28, 2022 (2,500,000 shares issued) ;
    c. $625,000 in common shares on or before March 22, 2022(2,500,000 shares) ; and
    d. $625,000 in common shares on or before April 20,2022 (2,083,334 shares issued) .

Contingent consideration:

As part of the consideration paid, the Company will issue common shares to Shanti upon the satisfaction of provisions applicable to four earn-out considerations (collectively the "Shanti Earn-Outs"). As follows:

- First Earn-Out: $625,000 in common shares upon the establishment of a medical advisory board and scientific board;
- Second Earn-Out: $625,000 in common shares upon the proof of concept trial registered with the trial authority;
- Third Earn-Out: $625,000 in common shares upon the clinical trial notification granted; and
- Fourth Earn-Out: $625,000 in common shares upon the ethics approval.

The Shanti Earn-Outs are payable if, and only if, applicable targets have been met. The measurement of the Shanti Earn-Outs is impacted by estimated probabilities and the likelihood that these items will be met, which is payable in common shares, if such targets are met. These estimated probabilities are subjective and are significantly impacted by various factors as of the acquisition date.

As of the acquisition date and September 30, 2021, the Company estimated the fair value of the First Shanti Earn-Out at $262,292 with a 60% probability of the target being met, the fair value of the Second Shanti Earn-Out at $87,247 with a 20% probability of the target being met, the fair value of the Third Shanti Earn-Out at $43,493 with a 10% probability of the target being met, and the fair value of the Fourth Shanti Earn-Out at $21,658 with a 5% probability of the target being met.

As at September 30, 2021, the estimated fair value of the Shanti Earn-Outs was determined to be $414,690. The Shanti Earn-Out is accounted for under IFRS 2-Share based payments with no remeasurement in the subsequent period.

This acquisition has been accounted for as an asset acquisition as Shanti does not meet the definition of a business under IFRS 3, Business Combinations.

In accordance with *IFRS 2,* the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Consideration incurred:		
3,472,222 common shares at $0.17 per share	$	583,333
Commitment to issue shares		1,306,862
Contingent consideration		414,690
Total consideration	$	2,304,885

The common shares are subject to certain hold periods. The total consideration value was estimated using a commonly used option model that estimates the discount related to the lack of marketability of the shares from the contractual restrictions.

Convertible loan receivable

Biominerales Pharma Corp.

On August 27, 2018 ("Effective Date"), the Company subscribed for a convertible secured promissory note with Biominerales Pharma ("Biopharma"), a private company. The Company has agreed to advance up to USD$196,184. Advances are secured by the assets of Biopharma and bears interest at 14% annually, payable monthly; and the promissory note is due on October 1, 2020. On the Effective Date, the Company advanced $255,000 under the note. The note may be converted into common shares of Biopharma at a price equal to a 10% discount to the price assigned to the common shares of Biopharma from any financing immediately prior to the date of conversion. The Company is not able to exert significant influence over the operations of Biopharma. In addition, Biopharma issued 18,684 warrants, exercisable at a price of $2.10 per warrant, to acquire one Class A common share in the capital of Biopharma for a period of 24 months. The option to settle the convertible note and the stock warrants in Class A common shares of Biopharma represents an embedded derivative in the form of a call option. Biopharma is a private company and its shares cannot be reliably valued using any market-derived indicators. As at September 30, 2018, the Company had not received repayment of such note and management has assessed the high likelihood of collectability. Thus, the entire balance of convertible note receivable had been impaired. On October 1, 2018, a further $250,000 was loaned to Biopharma under the same terms as the previously loaned $255,000. This loan continues to be secured by the borrowers' assets. During the year ended September 30, 2020, Biopharma has made monthly interest payments in accordance with the promissory note totaling $47,176. Management completed a thorough analysis as to any expected credit losses on certain of its financial assets. Accordingly, management has not been satisfied through the review of financial information of Biopharma and has assessed the high likelihood of un-collectability in respect to the principal portion of the loan. Thus, the entire balance of convertible note receivable was impaired $505,000 as at September 30, 2020. On October 1, 2021, the Company extended the loan payable maturity date to October 31, 2022. Biopharma has not made monthly interest payments in accordance with the promissory note as at June 30, 2022.

Effective April 1, 2023, Biopharma agreed to repay US$350,000 to the Company over the next 18 months as follows:

(i) US$15,000 upon execution of the debt repayment agreement (paid),

(ii) US$4,000 per month for the six months from April, 2023 to September, 2023 (paid),

(iii) US$6,000 per month for each of the six months from October, 2023 to March, 2024,

(iv) US$10,000 per month for each of the six months from April, 2024 to September, 2024,

(v) US$15,000 per month for each of the six months from October, 2024 to March, 2025,

(vi) US$21,666.66 for each of the five months from April, 2025 to August, 2025, and

(vii) US$16,666.70 on September 1, 2025.

Using a risk-adjusted discount rate of 15%, the fair value of the loan receivable was calculated as US$280,643 at the effective date, and it was recorded as a recovery of bad debts. As at September 30, 2023, the book value of the loan receivable was $348,685 (US$257,903). During the year ended September 30, 2023, interest income was $21,825 (US$16,260).

Letter of Intent ("LOI") with AVM Biotechnology

On February 7, 2024, the Company entered into a non-binding LOI with AVM Biotechnology Inc. ("AVM") based in Seattle, Washington, a clinical stage company developing therapeutics for cancer and autoimmune diseases. The transaction contemplates a 100% acquisition of the shares of AVM into an Xtacy subsidiary noted in a release of November 2022. The transaction is subject to regulatory approvals, and the Company and AVM will complete all of their due diligence prior to execution of a definitive agreement.

RESULTS OF OPERATIONS

Selected Annual Information

The following table summarizes selected financial data for the Company for each of the three most recently completed fiscal years. The information set forth below should be read in conjunction with the audited consolidated annual financial statements of the same years.

	Years ended September 30,		
	2023	2022	2021
	$	$	$
Net loss	**(519,936)**	(1,368,727)	(3,853,927)
Comprehensive loss	**(519,936)**	(1,368,727)	(3,853,927)
Total assets	**367,435**	297,830	25,628
Net loss per share (basic and diluted)	**0.01**	0.05	0.23

Selected Quarterly Information

The following table summarized the results of operations for the eight most recent quarters:

(in thousands of dollars,	**2023**				**2022**			
except per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income (loss)	259	(362)	(265)	(152)	(92)	(748)	(130)	(398)
Income (loss) per share	0.01	(0.01)	(0.01)	(0.00)	(0.00)	(0.03)	(0.00)	(0.02)

Weighted averages are consolidated shares. See Disclosure of Outstanding Share Data section.

Results for the twelve months ended September 30, 2023 compared to the twelve months ended September 30, 2022

During the twelve months ended September 30, 2023 the Company incurred a net loss of $519,936 compared to net loss of $1,368,727 in the comparable prior period. The Company is actively engaged in new business operations resulting in a increase in consulting expenses; however, the Company did not incur any investor relations and/or marketing costs in 2023. Also, the Company recorded a recovery of impaired debt of $379,794 during 2023, resulting in a lower net loss overall.

Results for the three months ended September 30, 2023 compared to the three months ended September 30, 2022

During the three months ended September 30, 2023 the Company reported a net income of $259,308 compared to net loss of $91,862 in the comparable prior period. During the fourth quarter, the Company recognized the gain on recovery of impaired debt of $379,794. Without this gain, the Company would have reported a net loss of $120,486 which is a slightly increased compared to the same period last year, due to increased consulting fees.

Related Party Transactions

A number of key management personnel and directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the years ended September 30, 2023 or September 30, 2022.

Meris Kott, the Company's President and CEO receives a monthly consulting fee and incentive stock options. All other key management personnel and directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days' notice. Key management personnel and directors participate in the Company's stock option plan.

No stock options were granted during the year ended September 30, 2023 to Directors and Officers (2022 - Nil).

The Company transacted with the following related parties:

(a) 1060606 BC Ltd. ("106 BC Ltd.") is a consulting firm over which the CEO of the Company has significant influence and ownership. Charges are for consulting, travel, office rent and administration.

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Fees Year ended September 30, 2023 $	Fees Year ended September 30, 2022 $	**Balances outstanding September 30, 2023 $**	Balances outstanding September 30, 2022 $
Meris Kott and 1060606 B.C Ltd	120,000	120,000	77,221	119,746
	120,000	120,000	**77,221**	119,746

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

Consulting and travel expenses

- Includes Meris Kott fee related to consulting, administrative and travel related expenses.

Disclosure of Outstanding Share Data

The Company's share structure as at the date of this MD&A are as follows:

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited preferred shares without par value. No preferred shares have been issued.

Issued and outstanding: As at the date of this document, there were 54,576,471 common shares issued and outstanding, 2,713,890 share purchase warrants outstanding, and 716,250 stock options.

Liquidity and Capital Resources

At September 30, 2023, the Company had a working capital deficit of $584,008 (2022 - $423,289)

	September 30, 2023 $	September 30, 2022 $
Current assets	**102,434**	297,830
Current liabilities	**686,442**	721,119

Recently Issued Common Shares

On January 20, 2023, the Company issued 2,050,000 common shares with a fair value of $184,500 as debt settlements. In connection with the shares issued for debts, the Company recognized a gain of $20,500.

On March 17, 2023, 555,556 shares with a fair value of $100,000 were returned to treasury and cancelled.

On April 5, 2023, the Company issued 4,192,591 common shares with a fair value of $335,407 as debt settlements. In connection with the shares issued for debts, no gains or losses were recognized.

On April 5, 2023, the Company issued 5,150,000 common shares for commitment to the acquisition of KM with a fair value of $284,561.

On May 15, 2023, the Company issued 810,250 common shares with a fair value of $76,974 as debt settlements. In connection with the shares issued for debts, the Company recognized a gain of $4,051.

On October 16, 2023, the Company issued an aggregate of 2,361,500 common shares to settle debts of $118,075.

On November 17, 2023, the Company issued an aggregate of 3,000,000 common shares to settle debts of $150,000.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Accounting Policies

The significant accounting policies of the Company are listed in Note 2 to the Company's audited financial statements for the year ended September 30, 2023.

New Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2023 and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Financial Instruments and Risks Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

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. The Company has no cash. The maximum exposure to credit risk is the carrying amount of the Company's loan receivable from Biopharma.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Liquidity risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Capital Management
Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2023.

Fair Value
The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial and Disclosure Controls and Procedures

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost-effective basis.