NUMINUS

NUMINUS WELLNESS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended February 28, 2025 and February 29, 2024

(Expressed in Canadian Dollars)

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

As at	Notes		February 28, 2025		August 31, 2024
Current assets					
Cash and cash equivalents	**18**	**$**	**705,631**	$	1,959,195
Trade and other receivables	**4, 17**		**1,875,000**		993,958
Prepaid expenses and deposits	**6**		**87,578**		571,370
Assets held for sale	**7**		**-**		6,278,991
			2,668,209		9,803,514
Non-current assets					
Property and equipment	**8**		**1,907,414**		958,772
Prepaid expenses and deposits	**6**		**-**		10,010
Total assets		**$**	**4,575,623**	$	10,772,296
Current liabilities					
Accounts payable and accrued liabilities	**5**	**$**	**2,772,057**	$	2,024,900
Current portion of loans payable	**10**		**62,170**		50,795
Deferred revenue			**79,347**		198,025
Current portion of lease obligations	**16**		**554,214**		541,748
Liabilities held for sale	**7**		**-**		5,790,431
			3,467,788		8,605,899
Non-current liabilities					
Loans payable	**10**		**173,059**		154,861
Lease obligations	**16**		**1,750,872**		1,286,106
Total liabilities		**$**	**5,391,719**	**$**	10,046,866
Shareholders' equity					
Share capital	**11**		**117,121,682**		117,418,063
Reserves	**11**		**19,050,915**		18,995,687
Accumulated other comprehensive income			**1,819,869**		820,963
Deficit			**(138,808,562)**		(136,509,283)
Total equity			**(816,096)**		725,430
Total liabilities and shareholders' equity		**$**	**4,575,623**	**$**	10,772,296
Nature of operations and going concern	**1**				
Commitments and contingencies	**16**				

Approved on behalf of the board:

Director:	*"Michael Tan"*	Director:	*"Larry Timlick"*
	CEO & Director		Director

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended February 28, 2025	February 29, 2024	For the six months ended February 28, 2025	February 29, 2024
Revenue	13	**$ 1,512,435**	$ 822,973	**$ 3,526,214**	$ 2,019,602
Cost of revenue	13	**1,007,691**	365,446	**2,000,313**	1,100,132
Gross profit		**504,744**	457,527	**1,525,901**	919,470
Expenses					
General and administration	12	**2,206,219**	3,895,268	**3,885,210**	7,323,788
Share-based compensation	11, 17	**11,275**	174,774	**55,228**	521,615
Sales and marketing		**62,317**	303,945	**171,598**	473,318
Depreciation	8, 13	**92,426**	139,657	**156,929**	299,999
Research and development		**-**	7,990	**-**	21,198
Total expenses		**2,372,237**	4,521,634	**4,268,965**	8,639,918
Loss before other items		**(1,867,493)**	(4,064,107)	**(2,743,064)**	(7,720,448)
Loss on disposal of assets held for sale	7	**(7,475,514)**	-	**(7,475,514)**	-
Loss on sale of investments	9	**-**	(734,994)	**-**	(734,994)
Interest expense and other finance cost	10, 16	**(41,193)**	(28,078)	**(90,983)**	(59,529)
Interest and other finance income		**11,457**	219	**13,500**	507
Other income (expense)		**(6,678)**	(23,040)	**(127,772)**	(47,044)
Foreign exchange gain (loss)		**(2,332)**	1,004	**(2,359)**	(52,394)
Net loss from continuing operations		**$ (9,381,753)**	$ (4,848,996)	**$ (10,426,192)**	$ (8,613,902)
Net loss from discontinued operations	14	217,024	(1,105,316)	59,344	(1,746,903)
Net Loss		**(9,164,729)**	(5,954,312)	**$ (10,366,848)**	$ (10,360,805)
Other comprehensive income from continuing operations		**853,344**	(9,980)	**1,831,948**	656,479
Other comprehensive loss from discontinued operations	14	**605,988**	3,855	**(456,961)**	(607,583)
Comprehensive loss		**$ (7,705,397)**	$ (5,960,437)	**$ (8,991,861)**	$ (10,311,909)
Loss per share, basic and diluted, continuing operations		**$ (0.03)**	$ (0.02)	**$ (0.04)**	$ (0.03)
Loss per share, basic and diluted, discontinued operations		**$ 0.00**	$ (0.00)	**$ 0.00**	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted		**293,583,839**	263,654,935	**293,583,839**	266,313,274

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

NUMINUS WELLNESS INC.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the six months ended, February 28, 2025	February 29, 2024
Cash flows from operating activities			
Net loss from discontinued operations		$ **59,344**	$ (1,746,903)
Net loss from continuing operations		$ **(10,426,192)**	$ (8,613,902)
Items not affecting cash:			
Depreciation	**8, 13**	**216,243**	338,122
Share-based compensation	**11, 17**	**55,228**	521,615
Interest and interest accretion	**10, 16**	**78,195**	70,046
Lease amendment	**8, 16**	**439**	-
Loss on sale of marketable securities	**9**	**-**	734,994
Loss on disposal of assets	**8**	**-**	23,947
Gain on long-term investments		**-**	14,511
Loss on debt settlement	**4, 17**	**109,452**	-
		(9,966,635)	(6,910,667)
Changes in non-cash working capital			
Accounts receivable	**4**	**(1,021,755)**	263,067
Prepaid expenses	**6**	**478,078**	367,393
Accounts payable and accrued liabilities	**5**	**341,341**	(192,266)
Deferred revenue		**(118,678)**	(75,648)
Cash used in operating activities of continuing operations		**(10,287,649)**	(6,548,121)
Cash used in operating activities of discontinued operations		**7,457,447**	(990,641)
Cash flows from investing activities			
Purchase of property and equipment	**8**	**(157,034)**	-
Proceeds from disposal of assets	**8**	**-**	19,775
Proceeds from disposal of marketable securities	**9**	**-**	852,141
Cash generated by (used in) investing activities of continuing operations		**(157,034)**	871,916
Cash generated by (used in) investing activities of discontinued operations		**1,352,704**	-
Cash flows from financing activities			
Issuance of common shares, net of share issue costs	**11**	**-**	314,454
Proceeds from prospectus offering	**11**	**-**	5,512,248
Lease payments	**16**	**(472,354)**	(340,381)
Repayment of loans	**10**	**-**	(36,662)
Cash generated by financing activities of continuing operations		**(472,354)**	5,449,659
Cash generated by financing activities of discontinued operations		**(511,858)**	(784,052)
Effect of foreign exchange on cash		**1,365,180**	33,670
Change in cash and cash equivalents during the period		**(1,253,564)**	(1,967,569)
Cash and cash equivalents, beginning of the period		**1,959,195**	8,579,535
Cash and cash equivalents, end of the period		$ **705,631**	$ 6,611,966
Supplemental cash flow information	**18**		

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

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

		Share Capital						
	Notes	Common Shares	Amount	Reserves	Obligation to issue equity	Accumulated Other Comprehensive Income	Deficit	Total
Balance, August 31, 2023		266,455,100	$ 112,266,968	$ 18,273,781	$ -	$ 374,401	$ (116,866,444)	$ 14,048,706
Shares issued for ATM financing, net of share issuance costs	11	4,096,500	314,454	-	-	-	-	314,454
Shares issued for prospectus offering, net of share issuance costs		50,000,000	5,512,248					5,512,248
Share-based compensation	11	-	-	521,615	-	-	-	521,615
Loss and comprehensive loss for the period	11	-	-	-	-	48,897	(10,360,806)	(10,311,909)
Balance, February 29, 2024		320,551,600	$ 118,093,670	$ 18,795,396	$ -	$ 423,298	$ (127,227,250)	$ 10,085,114
Balance, August 31, 2024		**320,551,600**	**$ 117,418,063**	**$ 18,995,687**	**$ -**	**$ 820,963**	**$ (136,509,283)**	**$ 725,430**
Disposal of assets held for sale	**7**	**-**	**(296,381)**	**-**	**-**	**(376,081)**	**8,067,569**	**7,395,107**
Share-based compensation	**11**	**-**	**-**	**55,228**	**-**	**-**	**-**	**55,228**
Loss and comprehensive loss for the period		**-**	**-**	**-**	**-**	**1,374,987**	**(10,366,848)**	**(8,991,861)**
Balance, February 28, 2025		**320,551,600**	**$ 117,121,682**	**$ 19,050,915**	**$ -**	**$ 1,819,869**	**$ (138,808,562)**	**$ (816,096)**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Numinus Wellness Inc. (the "Company" or "Numinus") was incorporated on October 26, 1964 under the Laws of British Columbia. The Company was traded on the TSX Venture Exchange (the "Exchange") and graduated to the Toronto Stock Exchange ("TSX") on December 16, 2021 under the symbol "NUMI". The Company's registered and records office is located at 250 - 997 Seymour St., Vancouver, BC, V6B 3M1.

Numinus' wellness clinic network in Canada consisted of Numinus Health Corp. ("Numinus Health"), Mindspace Services Inc. ("Mindspace") and the Neurology Centre of Toronto Inc. ("NCT"). Numinus' wellness clinic network in the United States consisted of Numinus Wellness UT Inc. ("Numinus Utah") (formerly Cedar Psychiatry Inc.) and Foundations for Change Inc. ("FFC"). Numinus' wellness clinic network provides services including ketamine-assisted psychotherapy ("KAP") for depression, transcranial magnetic stimulation ("TMS"), psychotherapy and counselling by registered psychologists. Numinus develops KAP protocols for other clinical indications and therapeutic protocols for other psychedelic substances.

On May 6, 2024, the Company entered into an agreement with the Canadian Centre for Psychedelic Healing ("Field Trip Health"). Through the arrangement, the Company will earn a portion of the revenue generated from the referral of patients of its existing Canadian business to Field Trip Health. Once the transaction is completed, the Company's clinics in Canada, Montreal ("Mindspace"), Toronto ("NCT"), and Vancouver ("Numinus Health"), will be closed. As of February 28, 2025, no revenues from referrals have been recognized and the transfers have been completed per the arrangement as the clinics have been closed.

On November 13, 2024, the Company entered into an agreement with Stella MSO LLC ("Stella"), an interventional psychiatry practice. Through the agreement, the Company shall sell its operations relating to Numinus Wellness UT Inc. to Stella. The transaction closed on December 12, 2024. As a result, as at February 28, 2025, all assets and liabilities relating to Numinus Wellness UT Inc. previously classified as held for sale on the condensed consolidated interim statements of financial position have been sold. As a result of the transaction, the Company's U.S. Clinic Network operating segment have been classified as discontinued operations on the condensed consolidated interim statements of loss and comprehensive loss for the three and six months ended February 28, 2025 (Note 7, Note 14).

Numinus Bioscience Inc. ("Numinus Bioscience") was the Company's Health Canada-licensed laboratory developing intellectual property, advancing research, and providing contract research and innovation services. On September 18, 2023, the Company announced that all operations relating to Numinus Bioscience would be wound down as part of the Company's broader cost containment strategy.

Cedar Clinical Research ("CCR") is the Company's research arm based in Salt Lake City, Utah, that hosts third-party sponsored phase I through phase IV clinical research trials focused on emerging treatment options in neuropsychiatry.

Numinus Digital Inc. ("Numinus Digital") provides certification pathways for diverse professionals who are looking to develop core psychedelic-assisted therapy skills through multi-modal teaching methods including interactive evidence and theory reviews, audio-visual design, case-based learning, experiential learning, and in-person shadowing opportunities. Numinus Digital also develops tailored education and training for research and drug development organizations to support clinical trials and commercialization efforts.

1. NATURE OF OPERATIONS (continued)

Economic Uncertainty

Global factors could have adverse impacts on the operations of the Company's business. Factors affecting current economic conditions include, but are not limited to, supply chain challenges; evolving impacts of the conflict in Ukraine and Israel; escalating energy supply shortages and costs; inflationary pressures; rising interest rates; changes in monetary and fiscal policies; and other responses from central banks and other government authorities. These factors can increase economic uncertainty, which may affect matters such as issuer liquidity, asset values, exposure to loss, and business continuity. These global challenges may result in increasing estimation uncertainty for those responsible for financial reporting because the assumptions used to prepare the financial statements may materially change in the near term.

Going Concern

These condensed consolidated interim financial statements for the three and six months ended February 28, 2025, have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred an accumulated deficit of $138,808,562 and a net loss of $10,366,848 for the six months ended February 28, 2025. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company may require additional financing in order to fund working capital requirements. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

(Unaudited - Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with IFRS – Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with our audited consolidated financial statements for the year ended August 31, 2024. Except as described below, the accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in our audited consolidated financial statements for the year ended August 31, 2024.

a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS – Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements were authorized for issue by our Board of Directors on August 19, 2025.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These accounting policies set out below have been applied consistently to all years presented in these condensed consolidated interim financial statements.

c) Basis of consolidation

These condensed consolidated interim financial statements incorporate the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
Numinus Bioscience Inc. (formerly Salvation Botanicals Ltd.)	Canada	100%	CAD	Research
Numinus Health Corp.	Canada	100%	CAD	Health & Wellness
Numinus Digital Inc.	Canada	100%	CAD	Health & Wellness
Mindspace Services Inc.	Canada	100%	CAD	Health & Wellness
Neurology Centre of Toronto Inc.	Canada	100%	CAD	Health & Wellness
Numinus Wellness Research Inc.	Canada	100%	CAD	Research
Novamind Inc.	Canada	100%	CAD	Holding Company
Novamind Ventures Inc.	Canada	100%	CAD	Holding Company
Foundations for Change Inc.	United States	100%	USD	Health & Wellness
Numinus Wellness UT Inc. (formerly Cedar Psychiatry Inc.)[1]	United States	100%	USD	Health & Wellness
Numinus Health (USA) Inc.	United States	100%	USD	Health & Wellness
Cedar Clinical Research Inc.	United States	100%	USD	Research
Salvation Bioscience Inc.	Canada	100%	CAD	Inactive
1659070 Canada Inc.	Canada	100%	CAD	Inactive
1050086 BC Ltd.	Canada	100%	CAD	Inactive
1134337 BC Ltd.	Canada	100%	CAD	Inactive

[1]100% ownership and control ceased on December 12, 2024 as a result of the Stella sale (Note 7)

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of the Company's subsidiaries, including entities which the Company controls, are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. Additional entities that the Company controls and consolidates are the following Canadian professional corporations that provide services to our clients: Dr. Andrew Bui-Nguyen Inc., Dr. Evan Lewis Medical Professional Corporation, Dr. Neil Barclay Corporation, and Dr. R. N. Barclay Corporation. All intercompany transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Functional and presentation currency

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in *IAS 21 The Effects of Changes in Foreign Exchange Rates*.

The assets and liabilities of foreign operations are translated into Canadian dollars at period-end exchange rates while income and expenses, and cash flows are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income (loss).

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

e) Non-current Assets Held for Sale

The Company classifies non-current assets as held for sale when their carrying amounts shall be recovered through a sale transaction rather than through continuing use. The criteria for the held of sale classification is met when a sale is highly probable, the asset is available for immediate sale in its present condition, and there is a plan and commitment to the sale, which is expected to be completed within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Non-current assets are not depreciated once classified as held for sale.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of assumptions, judgements and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These assumptions, judgements, and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The significant judgements and estimates applied in the preparation of the condensed consolidated interim financial statements for the three and six months ended February 28, 2025, are consistent with those applied and disclosed in Note 2 to our audited consolidated financial statements for the year ended August 31, 2024.

(Unaudited - Expressed in Canadian Dollars)

4. TRADE AND OTHER RECEIVABLES

		February 28, 2025		August 31, 2024
Trade receivables	**$**	**1,200,170**	$	758,392
Input tax credit receivables		**50,304**		32,079
Other receivables [1]		**624,526**		203,487
	$	**1,875,000**	$	993,958

[1] A portion of other receivables relates to related party transactions (refer to Note 17).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		February 28, 2025		August 31, 2024
Trade payables	**$**	**2,157,620**	$	1,285,151
Payroll accruals		**156,934**		312,254
Tax accruals		**457,503**		427,495
	$	**2,772,057**	$	2,024,900

6. PREPAID EXPENSES AND DEPOSITS

		February 28, 2025		August 31, 2024
Marketing	**$**	**5,250**	$	36,750
Insurance		**11,821**		15,065
Rent		**-**		7,036
Consulting		**10,000**		325,250
IT Expenses		**25,084**		38,735
Filing Fees		**-**		14,373
Others		**35,423**		134,161
Prepaid expenses	**$**	**87,578**	$	571,370
Non-current deposits and prepaid expenses	**$**	**-**	$	10,010

(Unaudited - Expressed in Canadian Dollars)

7. ASSETS AND LIABILITIES HELD FOR SALE

On November 15, 2024, the Company announced that it had entered into an agreement with Stella MSO LLC ("Stella"), an interventional psychiatry practice. Through the agreement, the Company shall sell its operations relating to Numinus Wellness UT Inc. to Stella. The Company determined the assets and liabilities of Numinus Wellness UT Inc. meet the definitions of assets held for sale. On December 12, 2024 the transaction closed, and these assets held for sale were disposed of for proceeds of $1,352,704 and deferred proceeds of $567,520. The Company recognized a loss on disposal of assets held for sale of $7,475,514 on the condensed consolidated interim statement of loss and comprehensive loss for the six months ended February 28, 2025.

A breakdown of assets held for sale for sale as at February 28, 2025, is as follows:

Assets held for sale	**February 28, 2025**	August 31, 2024
Current assets		
Accounts receivable	$ -	$ 1,813,935
Prepaid expenses	-	77,513
	-	1,891,448
Non-current assets		
Property and equipment	$ -	$ 4,316,297
Deposits	-	71,246
	-	4,387,543
Assets held for sale	$ -	$ 6,278,991

A breakdown of liabilities held for sale for sale as at February 28, 2025, and August 31, 2024, is as follows:

Liabilities held for sale	**February 28, 2025**	August 31, 2024
Current liabilities		
Accounts payable and accrued liabilities	$ -	$ 462,563
Loans payable	-	1,531,094
Current lease obligation	-	835,376
	-	2,829,033
Non-current liabilities		
Non-current lease obligation	$ -	$ 2,961,398
	-	2,961,398
Liabilities held for sale	$ -	$ 5,790,431

(Unaudited - Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Equipment	Computer	Furniture and Fixtures	Right of Use Assets - Equipment	Right of Use Assets - Premises	Total
Cost							
Balance, August 31, 2024	$ 477,881	$ 31,705	$ -	$ 161,161	$ 8,851	$ 698,431	$ 1,378,029
Additions	157,034	-	-	-	-	-	157,034
Lease amendment	-	-	-	-	-	(661,336)	(661,336)
Change in assets held for sale	(17,583)	-	(231)	(2,728)	(28,008)	1,321,504	1,272,954
Foreign exchange	75,930	10,918	231	16,039	28,463	286,214	417,795
Balance, February 28, 2025	**$ 693,262**	**$ 42,623**	**$ -**	**$ 174,472**	**$ 9,306**	**$ 1,644,813**	**$ 2,564,476**
Accumulated depreciation							
Balance, August 31, 2024	$ 137,077	$ 2,931	$ -	$ 91,533	$ 2,388	$ 185,328	$ 419,257
Lease amendment	-	-	-	-	-	(639,531)	(639,531)
Change in assets held for sale	(6,525)	-	(125)	(1,520)	(21,995)	441,054	410,889
Depreciation	29,669	2,304	-	17,941	19,699	216,017	285,630
Foreign exchange	41,782	755	125	25,054	3,305	109,796	180,817
Balance, February 28, 2025	**$ 202,003**	**$ 5,990**	**$ -**	**$ 133,008**	**$ 3,397**	**$ 312,664**	**$ 657,062**
Net book value at February 28, 2025	**$ 491,259**	**$ 36,633**	**$ -**	**$ 41,464**	**$ 5,909**	**$ 1,332,149**	**$ 1,907,414**

	Leasehold Improvements	Equipment	Computer	Furniture and Fixtures	Right of Use Assets - Equipment	Right of Use Assets - Premises	Total
Cost							
Balance, August 31, 2023	$ 3,449,749	$ 1,744,429	$ 275,786	$ 559,580	$ 1,625,672	$ 7,793,673	$ 15,448,889
Additions	-	19,780	5,705	5,313	544,477	-	575,275
Lease amendment	-	-	-	-	-	(106,740)	(106,740)
Write-offs	(432,284)	3,644	-	-	(1,147,145)	(1,492,937)	(3,068,722)
Disposals	(1,346,736)	(1,745,989)	(265,334)	(219,069)	(605,255)	(1,015,041)	(5,197,424)
Reclassed to assets held for sale	(1,233,389)	-	(16,184)	(191,340)	(544,477)	(4,854,453)	(6,839,843)
Foreign exchange	40,541	9,841	27	6,677	135,579	373,929	566,594
Balance, August 31, 2024	$ 477,881	$ 31,705	$ -	$ 161,161	$ 8,851	$ 698,431	$ 1,378,029
Accumulated depreciation							
Balance, August 31, 2023	$ 1,297,767	$ 926,755	$ 213,890	$ 199,976	$ 991,096	$ 2,024,247	$ 5,653,731
Write-offs	(226,832)	-	-	-	(916,381)	(716,366)	(1,859,579)
Disposals	(973,411)	(951,770)	(217,730)	(119,817)	(590,705)	(688,056)	(3,541,489)
Reclassed to assets held for sale	(457,695)	-	(8,772)	(106,603)	(61,853)	(1,888,623)	(2,523,546)
Depreciation	464,261	27,364	12,687	99,290	457,714	1,098,106	2,159,422
Foreign exchange	32,987	582	(75)	18,687	122,517	356,020	530,718
Balance, August 31, 2024	$ 137,077	$ 2,931	$ -	$ 91,533	$ 2,388	$ 185,328	$ 419,257
Net book value at August 31, 2024	$ 340,804	$ 28,774	$ -	$ 69,628	$ 6,463	$ 513,103	$ 958,772

For the six months ended February 28, 2025, change in assets held for sale represents $979,898 (February 29, 2024 - $Nil) in lease amendments, $187,219 (February 29, 2024 - $Nil) in foreign exchange impacts, and $69,387 (February 29, 2024 - $Nil) in depreciation of the current portion of ROU assets.

8. PROPERTY AND EQUIPMENT (continued)

For the three and six months ended February 28, 2025, $30,789 and $59,314 of depreciation expense, respectively, is included in cost of revenue (February 29, 2024 - $239,038 and $531,649, respectively) and $Nil, and $Nil of depreciation expense, respectively, is included in research and development (February 29, 2024 - $2,092 and $8,011, respectively). For the three and six months ended February 28, 2025, the Company recognized proceeds from the disposition of assets not classified as held for sale of $Nil and $Nil, respectively (February 29, 2024 - $19,775 and $19,775, respectively), and a loss of $Nil and $Nil, respectively (February 29, 2024 - $36,246 and $36,246, respectively) on the disposition of assets and lease cancellations from continuing operations.

During the three and six months ended February 28, 2025, the Company recognized a loss on disposal of assets not classified as held for sale of $Nil and $Nil, respectively (February 29, 2024 - $36,246 and $36,246, respectively) on the condensed consolidated interim statements of loss and comprehensive loss. Proceeds received from asset sales not classified as held for sale during the three and six months ended February 28, 2025, were $Nil and $Nil, respectively (February 29, 2024 - $19,775 and $19,775, respectively).

For the three and six months ended February 28, 2025, $30,789 and $59,314 of depreciation expense, respectively, is included in the cost of revenue from continuing operations (February 29, 2024 - $14,943 and $30,112, respectively). In addition, for the three and six months ended February 28, 2025, $Nil and $Nil of depreciation expense, respectively is included in research and development from continuing operations (February 29, 2024 - $2,092 and $8,011, respectively).

For the three and six months ended February 28, 2025, $Nil and $Nil of depreciation expense, respectively, is included in cost of revenue from discontinued operations (February 29, 2024 - $224,096 and $501,538, respectively).

(Unaudited - Expressed in Canadian Dollars)

9. INVESTMENTS

As part of the Novamind acquisition, the Company assumed two long-term investments.

i. Alto Neuroscience Inc. ("Alto") – A clinical-stage biopharmaceutical company where, during 2021, Novamind purchased 1,000 non-voting participating investor shares in a special purpose vehicle (the "SPV") for $1,220,000 (US$1,000,000). As at the acquisition date of Novamind, June 10, 2022, the Company's investment in the SPV was valued at $1,549,856. During the year ended August 31, 2024, the Company sold its investment in the SPV for proceeds of $852,141 and recorded a loss on sale of investments of $734,994. As a result, the Company has a $Nil balance as at February 28, 2025.

ii. Bienstar Wellness Corp. ("Bienstar") – An early-stage private mental health company where, during 2022, Novamind purchased 2,000,000 common shares for $642,700 (US$500,000). As at the acquisition date of Novamind, June 10, 2022, the Company's investment in Bienstar was valued at $638,284. During the year ended August 31, 2024, the Company wrote off its investment in Bienstar and recognized an impairment of $494,640. As a result, the Company's investment in Bienstar as at February 28, 2025, is $Nil.

		SPV		Bienstar		Total
Balance, August 31, 2023	**$**	**1,603,010**	**$**	**473,585**	**$**	**2,076,595**
Unrealized gain (loss)		(15,875)		21,055		5,180
Proceeds from sale of investment		(852,141)		-		(852,141)
Realized loss on sale of investment		(734,994)		-		(734,994)
Write down due to Impairment		-		(494,640)		(494,640)
Balance, August 31, 2024	**$**	**-**	**$**	**-**	**$**	**-**
Balance, February 29, 2025	**$**	**-**	**$**	**-**	**$**	**-**

(Unaudited - Expressed in Canadian Dollars)

10. LOANS PAYABLE

On March 31, 2021, FFC received a US$150,000 COVID-19 Economic Injury Disaster Loan through the U.S. Small Business Administration Agency (the "SBA Loan"). On August 26, 2021, FFC received an additional advance of US$49,600. The Company assumed the SBA Loan on June 10, 2022 as part of the acquisition of Novamind. The SBA Loan bears interest at a rate of 3.75% per annum on the outstanding principal balance only where there is no compounding of interest. Payments on the SBA Loan were initially deferred for 18 months, followed by monthly payments of USD$999 starting on September 3, 2022. The SBA Loan had an initial term of 30 years with the remaining principal and accrued interest due at maturity on March 3, 2051. The loan is secured by general business assets of FFC.

The initial fair value of the SBA Loan was determined to be $147,236 using an effective interest rate of 9.99%.

In addition, as part of the Novamind acquisition, the Company assumed a loan payable to Bankers Healthcare Group LLC ("BHG") with an outstanding balance of US$102,386 on June 10, 2022 (the "BHG Loan"). The loan bears interest at a rate of 9.99% per annum and the Company is required to make monthly payments of US$3,676 until maturity on January 5, 2025. As at February 28, 2025, the loan has matured and the balance of $53,324 remains payable. The initial fair value of the BHG Loan was determined to be $130,818 using an effective interest rate of 9.99%.

On March 20, 2024, the Company entered into a Temporary Funding Assistance Program Agreement (the "Optum Loan") with Change Healthcare Operations, LLC ("CHO"). The interest free Optum Loan with CHO was executed as a means for CHO to provide funds to the Company that would have otherwise been received if disruptions to the processing of electronic healthcare transactions, claims processing, and administrative services did not occur. The Company is required to repay the total amount funded within 45 business days of receiving notice that the total funding amount is due. During the six months ended February 28, 2025, the Company received a demand letter for the loan to be repaid by January 2, 2025. On December 12, 2024, this loan was assumed by Stella as part of the U.S. Clinic Network sale.

For the six months ended February 28, 2025, the Optum Loan, classified as liabilities held for sale, was disposed of as part of the transaction with Stella (Note 7)

The following table summarizes the balances for the loans:

	SBA Loan	BHG Loan	Optum Loan	Total
Balance, August 31, 2023	157,637	76,886	-	234,523
Additions	-	-	1,544,372	1,544,372
Loan repayments	(10,876)	(35,015)	-	(45,891)
Accretion expense	2,970	-	-	2,970
Interest	10,768	3,733	-	14,501
Foreign exchange	(489)	42	(13,278)	(13,725)
Held for sale	-	-	(1,531,094)	(1,531,094)
Balance, August 31, 2024	**160,010**	**45,646**	-	**205,656**
Accretion expense	2,365	-	-	2,365
Interest	8,203	4,433	-	12,636
Foreign exchange	11,327	3,245	107,475	122,047
Held for sale	-	-	(107,475)	(107,475)
Balance, February 28, 2025	**181,905**	**53,324**	-	**235,229**

11. SHARE CAPITAL AND RESERVES

The Company has unlimited authorized common shares with no par value.

During the six months ended February 28, 2025 the Company did not issue any common shares.

Prior year issuances

Prospectus offering

On February 16, 2024, the Company issued 50,000,000 units at a price of $0.12 for gross proceeds of $6,000,000. As part of the prospectus offering, each unit consisting of one common share and one common share purchase warrant, exercisable at a price of $0.18 for a period of 24 months. The underwriters received a cash fee equal to 6.0% of $5,772,000 of the gross proceeds and 2,886,000 broker warrants, with a fair value of $158,966, exercisable at a price of $0.12 for a period of 24 months.

At-the-market equity offering program

On September 25, 2023, the Company filed a prospectus supplement to accompany the short form base shelf prospectus filed on June 27, 2023, to establish the Company's at-the-market equity offering program (the "ATM Program"). The ATM Program allows the Company, at its discretion, to issue up to $10,000,000 of common shares from treasury to the public from time to time at the prevailing market price.

During the six months ended February 29, 2024, the Company issued 4,096,500 common shares at an average price of $0.12 for gross proceeds of $479,284 and net proceeds of $314,454 after commissions and deferred financing costs.

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

Warrants

The changes to warrants during the six months ended February 28, 2025 and February 29, 2024 are as follows:

	2025		2024	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, August 31,	**64,226,000**	**$0.25**	11,340,000	$0.60
Issued	**-**	**-**	50,000,000	$0.18
Expired	**(840,000)**	**$0.60**	-	-
Outstanding, February 28,	**63,386,000**	**$0.25**	61,340,000	$0.26

The following table summarizes share purchase warrants outstanding as at February 28, 2025:

Expiry Date	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Life (months)**
February 16, 2026	50,000,000	$0.18	11.8
February 16, 2026	2,886,000	$0.12	11.8
January 26, 2027	10,500,000	$0.60	23.2
Total	**63,386,000**	**$0.25**	**13.7**

The fair value of broker warrants was calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions for the six months ended:

	February 28, 2025	February 29, 2024
Share price	-	$0.12
Risk-free interest rate	-	3.57%
Expected life of warrants	-	2 years
Annualized volatility	-	82.25%
Dividend rate	-	0%
Fair value per warrant	-	$0.06

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

Stock options

The Company has adopted an Omnibus Equity Incentive Plan (the "Plan") for its directors, officers, employees, and consultants to acquire common shares of the Company. The maximum number of common shares underlying the securities issuable under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company as at the date of shareholder approval. Instruments granted must be exercised no later than ten years from the date of grant or any such lesser period as determined by the Company's board of directors. The exercise price of an instrument is not less than the closing price on the Exchange on the last trading day preceding the grant date or the minimum price as per the Exchange. Any instruments issued to an investor relation consultant optionee must vest in stages over at least a twelve-month period with no more than 25% of such instruments vesting in any six-month period. All other instruments vest at the direction of the Board of Directors.

The changes in stock options during the six months ended February 28, 2025 and February 29, 2024 are as follows:

	2025		2024	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, August 31,	**8,350,682**	**$0.78**	14,553,682	$0.32
Granted	**-**	**-**	80,000	$0.25
Expired	**(2,365,000)**	**$0.20**	(1,723,000)	$0.53
Forfeited	**(130,000)**	**$0.16**	-	-
Outstanding, November 30,	**5,855,682**	**$0.36**	12,910,682	$0.29

The following table summarizes stock options outstanding and exercisable as at February 28, 2025:

Expiry Date	**Number of Options**	**Options Exercisable**	**Weighted Average Exercise Price**	**Weighted Average Life (months)**
April 30, 2025[1]	105,000	105,000	0.66	2.0
December 11, 2025	2,453,682	2,453,682	0.48	9.5
December 22, 2025	252,000	252,000	1.19	9.9
June 1, 2028	160,000	160,000	0.20	39.6
February 28, 2029	80,000	80,000	0.12	48.7
June 1, 2033	2,805,000	2,805,000	0.20	100.5
Total	**5,855,682**	**5,855,682**	**0.36**	**54.3**

[1] 105,000 options expired unexercised subsequent to February 28, 2025

The share-based payments expense relating to share purchase options for the three and six months ended February 28, 2025 was $1,080 and $35,552, respectively (February 29, 2024 - $171,441 and $508,804, respectively).

During the three and six months November 30, 2024, the Company recognized a reversal of expenses relating to share purchase options of $Nil and $21,374, respectively (February 29, 2024 - $Nil and $Nil, respectively) arising from share purchase options that were forfeited.

(Unaudited - Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

Restricted Share Units

Under the Plan, awards for RSUs have been settled in common shares of the Company with each restricted share unit ("RSU") entitling the holder to receive one common share of the Company. All units are accounted for as equity-settled awards.

A summary of the Company's unit plans and changes during the six months ended February 28, 2025, is as follows:

	2024	2023
Opening balance	**1,311,352**	-
Vested	**(1,061,352)**	-
Outstanding	**250,000**	-

For the three and six months ended February 28, 2025, the Company recognized RSU stock-based compensation expense of $10,195 and $41,050, respectively (February 29, 2024 - $3,333 and $12,811, respectively).

12. GENERAL AND ADMINISTRATION EXPENSES

General and administrative expenses consist of the following:

	For the three months ended		**For the six months ended**	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
Salary and wages (Note 17)	**$ 695,803**	$ 1,617,146	**$ 1,307,439**	$ 3,514,067
Professional and consulting fees	**1,260,376**	1,482,062	**1,995,580**	2,288,197
Office and miscellaneous	**250,040**	796,060	**582,191**	1,521,524
	$ 2,206,219	$ 3,895,268	**$ 3,885,210**	$ 7,323,788

13. OPERATING SEGMENTS

The Company's operating segments are reviewed by the Chief Operating Decision Maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the nature of operations. Factors considered in determining the operating segments include the Company's business activities, management and reporting structure directly accountable to the CODM, availability of financial information and strategic priorities of the Company. Refer to Note 14 with respect to the former Canadian clinic network and U.S. clinic network which have been classified as discontinued operations during the three and six months ended February 28, 2025.

The following are the operating segments which the Company has determined to be utilized:

Operating Segment	**Description**
Clinical research operations	Focused on licensed psychedelic research and derives revenues from providing clinical research management services to academic institutions and biotechnology companies
Practitioner Training	Tailored education and training for research and drug development organizations to support clinical trials and commercialization efforts
Corporate	The Company's functional areas include, but not limited to, finance, marketing, information technology, product, legal, human resources, and the executive team

(Unaudited - Expressed in Canadian Dollars)

13. OPERATING SEGMENTS (continued)

The following is a summary of the reported amounts of loss before other items, loss before income taxes and the carrying amount of assets and liabilities by operating segment:

For the three months ended February 28, 2025		Clinical Research Operations		Practitioner Training		Corporate		
Revenue	$	1,216,421	$	296,014	$	-	$	1,512,435
Cost of revenue		(969,017)		(38,674)		-		(1,007,691)
Gross Profit (loss)		247,404		257,340		-		504,744
Depreciation		(37,192)		-		(55,234)		(92,426)
Share-based compensation		-		-		(11,275)		(11,275)
Other operating expenses		(174,764)		(118,529)		(1,975,243)		(2,268,536)
Loss before other items	$	35,448	$	138,811	$	(2,041,752)	$	(1,867,493)
Interest expense		(21,667)		-		(19,526)		(41,193)
Gain (loss) on disposal of assets held for sale		2,129,080		(786,152)		(8,818,442)		(7,475,514)
Other items		8,567		(1,095)		(5,025)		2,447
Net Income (Loss)	$	2,151,428	$	(648,436)	$	(10,884,745)	$	(9,381,753)

As at February 28, 2025		Clinical Research Operations		Practitioner Training		Corporate		Total
Property and equipment		1,213,508		-		693,906		1,907,414
Non-current assets	$	1,213,508	$	-	$	693,906	$	1,907,414
Total assets	$	3,059,069	$	26,471	$	1,490,083	$	4,575,623
Total liabilities	$	1,334,401	$	96,518	$	3,960,800	$	5,391,719

For the six months ended February 28, 2025		Clinical Research Operations		Practitioner Training		Corporate		Total
Revenue	$	2,425,991	$	1,100,223	$	-	$	3,526,214
Cost of revenue		(1,903,353)		(96,960)		-		(2,000,313)
Gross Profit (loss)		522,638		1,003,263		-		1,525,901
Depreciation		(69,686)		-		(87,243)		(156,929)
Share-based compensation		-		-		(55,228)		(55,228)
Other operating expenses		(550,223)		(214,597)		(3,291,988)		(4,056,808)
Loss before other items	$	(97,271)	$	788,666	$	(3,434,459)	$	(2,743,064)
Interest expense		(59,805)		-		(31,178)		(90,983)
Gain (loss) on disposal of assets held for sale		2,129,080		(786,152)		(8,818,442)		(7,475,514)
Other items		10,545		(1,379)		(125,797)		(116,631)
Net Income (Loss)	$	1,982,549	$	1,135	$	(12,409,876)	$	(10,426,192)

For the three and six months ended February 28, 2025, $67,981 and $129,000 of depreciation expenses have been included in Clinical Research Operations (February 29, 2024 - $153,065 and $325,766). For the three and six months ended February 28, 2025, $30,789 and $59,314 of depreciation expenses, respectively, is included in cost of sales for Clinical Research Operations (February 29, 2024 - $14,943 and $30,112 respectively).

For the three and six months ended February 28, 2025, $55,234 and $87,243 of depreciation expenses have been included in Corporate (February 29, 2024 - $3,627 and $12,356).

For the three and six months ended February 28, 2025, $Nil and $Nil of amortization of intangible assets have been included in depreciation expenses (February 29, 2024 - $75,400 and $75,400).

For the three and six months ended February 28, 2025, $645,535 loss on the disposal of assets held for sale arising from the derecognition of intercompany receivables and payables across operating segments due to the sale of Numinus Wellness UT Inc. as a result of the Stella transaction.

(Unaudited - Expressed in Canadian Dollars)

13. OPERATING SEGMENTS (continued)

Three months ended February 29, 2024		Clinical Research Operations		Practitioner Training		Corporate		Total
Revenue	$	744,136	$	78,837	$	-	$	822,973
Cost of revenue		(332,036)		(33,410)		-		(365,446)
Gross Profit (loss)		412,100		45,427		-		457,527
Depreciation		(138,122)		-		(1,535)		(139,657)
Share-based compensation		-		-		(174,774)		(174,774)
Research and development		-		-		(7,990)		(7,990)
Other operating expenses		(1,085,001)		(107,604)		(3,006,608)		(4,199,213)
Loss before other items	$	(811,023)	$	(62,177)	$	(3,190,907)	$	(4,064,107)
Interest expense		(28,051)		-		(27)		(28,078)
Other items		-		(67)		(756,744)		(756,811)
Net Loss	$	(839,074)	$	(62,244)	$	(3,947,678)	$	(4,848,996)

As at August 31, 2024		Clinical Research Operations		Practitioner Training		Corporate		Total
Prepaid expenses and deposits	$	-	$	-	$	15,724	$	15,724
Goodwill and other intangible assets		-		-		-		-
Property and equipment		958,772		-		-		958,772
Non-current assets	$	958,772	$	-	$	15,724	$	974,496
Total assets	$	2,060,630	$	56,091	$	2,376,584	$	4,493,305
Total liabilities	$	1,246,578	$	223,621	$	2,786,236	$	4,256,435

Six months ended February 29, 2024		Clinical Research Operations		Practitioner Training		Corporate		Total
Revenue	$	1,764,774	$	254,828	$	-	$	2,019,602
Cost of revenue		(1,036,594)		(63,538)		-		(1,100,132)
Gross Profit (loss)		728,180		191,290		-		919,470
Depreciation		(295,654)		-		(4,345)		(299,999)
Share-based compensation		-		-		(521,615)		(521,615)
Research and development		-		-		(21,198)		(21,198)
Other operating expenses		(1,808,721)		(221,194)		(5,767,191)		(7,797,106)
Loss before other items	$	(1,376,195)	$	(29,904)	$	(6,314,349)	$	(7,720,448)
Interest expense		(59,262)		-		(267)		(59,529)
Other items		(35,958)		(59)		(797,908)		(833,925)
Net Loss	$	(1,471,415)	$	(29,963)	$	(7,112,524)	$	(8,613,902)

(Unaudited - Expressed in Canadian Dollars)

13. OPERATING SEGMENTS (continued)

The following is a summary of the revenues and long-lived assets other than financial instruments of the Company by geographical region and from continuing operations:

Geographical segments	Canada	United States	Total
Non-current assets other than financial instruments			
February 28, 2025	$ -	$ 1,907,414	$ 1,907,414
August 31, 2024	$ -	$ 958,772	$ 958,772
Three months ended February 28, 2025			
Revenues	$ 296,014	$ 1,216,421	$ 1,512,435
Gross profit	$ 257,340	$ 247,404	$ 504,744
Six months ended February 28, 2025			
Revenues	$ 1,100,223	$ 2,425,991	$ 3,526,214
Gross profit	$ 1,003,263	$ 522,638	$ 1,525,901
Three months ended February 29, 2024			
Revenues	$ 78,837	$ 744,136	$ 822,973
Gross profit	$ 45,427	$ 412,100	$ 457,527
Six months ended February 29, 2024			
Revenues	$ 254,828	$ 1,764,774	$ 2,019,602
Gross profit	$ 191,290	$ 728,180	$ 919,470

(Unaudited - Expressed in Canadian Dollars)

14. DISCONTINUED OPERATIONS

On May 7, 2024, the Company announced that it had entered into a strategic agreement with the Canadian Centre for Psychedelic Healing ("Field Trip Health"). Through the arrangement, the Company will earn a portion of the revenue generated from the referral of patients of its discontinued operating segment, the Canadian Clinic Network, to Field Trip Health. Once the arrangement has completed all clinics in the Canadian Clinic Network, Montreal, Toronto, and Vancouver, shall be closed. For the three and six months ended February 28, 2025, $Nil and $Nil revenues were generated from the referral of patients.

On November 15, 2024, the Company announced that it entered into an agreement with Stella, an interventional psychiatry practice to sell the Company's Numinus wellness clinic network in the United States for consideration of $3.53 million. On December 12, 2024 the transaction closed and all assets and liabilities held for sale of the Company's Numinus wellness clinic network were disposed. The Company recognized a loss on disposal of assets held for sale of $7,475,514 and its operations have been classified as discontinued operations.

The following table discloses a separate statement of loss and comprehensive loss relating to the discontinued operations of the Canadian Clinic Network and the U.S. Clinic Network for the three and six months ended February 28, 2025, and February 29, 2024.

	For the three months ended		For the six months ended	
	February 28, 2025	**February 29, 2024**	**February 28, 2025**	**February 29, 2024**
Revenue	**$ 164,032**	$ 4,208,147	**$ 3,607,156**	$ 8,957,509
Cost of revenue	**14,422**	3,005,082	**1,917,932**	6,067,519
Gross profit	**149,610**	1,203,065	**1,689,224**	2,889,990
Expenses				
General and administration	**688,444**	1,925,550	**2,394,974**	3,892,400
Sales and marketing	**762**	31,389	**6,873**	71,606
Depreciation	**31,169**	227,163	**69,387**	415,329
Total expenses	**720,375**	2,184,102	**2,471,234**	4,379,335
Loss before other items	**(570,765)**	(981,037)	**(782,010)**	(1,489,345)
Gain on disposal of assets held for sale	**364,604**	-	**364,604**	-
Interest expense and other finance cost	**(36,652)**	(130,025)	**(165,775)**	(266,859)
Interest and other finance income	**27**	164	**9,389**	1,262
Other income (expense)	**459,810**	5,582	**633,076**	8,039
Foreign exchange gain (loss)	**-**	-	**60**	-
Net income (loss)	**$ 217,024**	**$** (1,105,316)	$ **59,344**	**$** (1,746,903)
Other comprehensive gain (loss)	**605,988**	3,855	**(456,961)**	(607,583)
Comprehensive income (loss)	**$ 823,012**	$ (1,101,461)	**$ (397,617)**	$ (2,354,486)

15. FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Fair value of financial assets and liabilities

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and
Level 3: Inputs that are not based on observable market data.

The fair value of cash and cash equivalents are measured using Level 1 inputs. The carrying values of trade and other receivables, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments. Debt approximates its fair value due to its market rate of interest.

Financial instrument risk management

The Company’s exposures and the impact on its financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s cash and cash equivalents, trade and other receivables. The carrying amount of these financial assets represent the maximum credit exposure. Cash and cash equivalents are deposited with major Canadian and US financial institutions, and management believes the exposure to credit risk with respect to these institutions is not significant. The Company is exposed to credit risk inherent in its trade and other receivables which include credit exposures to customers and their outstanding trade and other receivables balances. The maximum credit risk associated with cash and cash equivalents and trade and other receivables is equal to the carrying amount.

Liquidity risk

As at February 28, 2025, the Company’s financial liabilities consist of accounts payable and accrued liabilities which have contractual maturities within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. As at February 28, 2025, the Company has cash and cash equivalents of $705,631 to meet its obligations as they become due.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign currency risk through its financial assets and liabilities denominated in US dollars. A 10% appreciation (depreciation) of the US dollar against the Canadian dollar, with all other variables held constant, would result in an approximate change of $433,000 to the Company’s comprehensive loss for the six months ended February 28, 2025.

15. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash in accounts with variable interest rates, and currently does not carry variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. As of February 28, 2025, the Company's interest rate risk mainly relates to cash balances and was considered to be minimal.

Price risk

Price risk is the risk related to assets such as commodities, securities, and foreign exchange position will fluctuate due to macroeconomic factors. The Company does not hold, or conduct business with, any such assets and has determined that its exposure to price risk is minimal.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, to support any business transaction and to safeguard its ability to continue as a going concern. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund its operations. To carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management for the six months ended February 28, 2025. The Company is not subject to externally imposed capital requirements.

(Unaudited - Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES

Lease obligations

The Company leases property for its corporate offices, clinics, research facilities, research equipment, and equipment for specific therapeutic treatments. The following table summarizes the Company's lease obligations:

		February 28, 2025		August 31, 2024
Current portion of lease obligations	**$**	**554,214**	$	541,748
Long term portion of lease obligations		**1,750,872**		1,286,106
Total Lease Obligations [(1)]	**$**	**2,305,086**	$	1,827,854

[(1)] Lease obligations have interest rates between 9%-13% per annum and with terms of up to 10 years

Future undiscounted lease payments are as follows:

	Years					
	0- 1	**2-3**	**4-5**	**6-10**	**>10**	**Total**
Lease Payments	$615,465	$1,010,450	$647,307	$146,968	-	$2,420,190

A continuity of lease obligations is as follows:

		February 28, 2025		August 31, 2024
Opening balance	**$**	**1,827,854**	$	6,964,854
Additions		**-**		544,477
Amendments		**-**		(48,718)
Lease cancellation		**-**		(364,703)
Interest		**228,494**		570,601
Payments		**(984,212)**		(2,031,518)
Reclassified as Liabilities held for sale		**-**		(3,796,774)
Change in Liabilities held for sale		**984,207**		-
Foreign exchange movement		**248,743**		(10,365)
Ending Balance		**2,305,086**		1,827,854
Less: current portion		**(554,214)**		(541,748)
Non-current lease obligation	**$**	**1,750,872**	$	1,286,106

For the three and six months ended February 28, 2025, the Company expensed short term lease costs of $8,114 and $30,397, respectively (February 29, 2024 - $19,892 and $46,078, respectively).

During the year ended August 31, 2024, the Company reclassified lease obligations of the U.S. Clinic Network as Liabilities held for sale of $3,796,774. During the six months ended February 28, 2025, the Company recognized a change in these liabilities held for sale of $984,207 (February 29, 2024 - $Nil). On December 12, 2024, all lease liabilities held for sale were disposed in connection with the sale to Stella (Note 7).

Notice of Claim

The Company was served with a Notice of Claim dated December 23, 2019, which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Claim alleges the wrongful termination of the former CEO/CFO and unpaid termination benefits of $360,000. The Company believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by the Company with regards to the Notice of Claim and the claim is ongoing.

(Unaudited - Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES (continued)

The Company was served with a Notice of civil Claim dated November 1, 2024, which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Civil Claim alleges between February 2023 and December 2023, the plaintiff and the defendant entered into nine separate purchase agreements. The plaintiff claims there was a breach in the agreements and is seeking damages totaling $98,962USD plus pre-judgement interest at the rate of 2% per month per the agreements. The Company believes the damage amount is inaccurate and is planning on filing a response to the claim. No provision has been made by the Company with regards to the Notice of Claim and the claim is ongoing.

17. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer. Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended		For the six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
Salaries and benefits	**$ 1,037,005**	$ 242,657	**$ 1,257,427**	$ 485,314
Director fees and expenses	**41,429**	25,000	**80,000**	50,000
Share-based compensation	**470**	82,141	**74,063**	246,595
Total	**$ 1,078,904**	$ 349,798	**$ 1,411,490**	$ 781,909

Trade and other receivables for the six months ended February 28, 2025, on the condensed consolidated interim statements of financial position include related party receivables of $Nil. As at August 31, 2024, related party receivables of $109,452 relate to the withholding taxes that were remitted by the Company on behalf of RSU holders.

18. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions for the six months ended February 28, 2025, and February 29, 2024, are as follows:

	For the six months ending	
Supplemental cash flow information:	**February 28, 2025**	February 29, 2024
Cash paid for interest and taxes	**$ 78,195**	$ 169,300
Deferred share issuance costs	**-**	11,738
Cash and cash equivalents is comprised of:	**February 28, 2025**	August 31, 2024
Cash	**$ 705,631**	$ 1,844,195
Cash equivalents	**-**	115,000