FINANCIAL STATEMENTS

December 31, 2024 and December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Verisante Technology Inc.:

Opinion

We have audited the accompanying financial statements of Verisante Technology Inc. ("the Company"), which comprise the statement of financial position as at December 31, 2024 and December 31, 2023, the statements of comprehensive income (loss), changes in equity (deficit) and cash flows for the year ended December 31, 2024 and December 31, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and December 31, 2023, and their financial performance and their cash flows for years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 2 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion and the engagement partner on the audit resulting in this independent auditor’s report is Jim Fernandez.

Fernandez Young LLP

Fernandez Young LLP
Chartered Professional Accountants
Vancouver, British Columbia
April 15, 2025

Verisante Technology, Inc.
Statements of Financial Position at December 31, 2024 and December 31, 2023
(expressed in Canadian dollars unless otherwise stated)

	December 31, 2024 $	December 31, 2023 $
ASSETS		
Current		
Cash	**7,596**	30,425
Prepaid expenses	**1,250**	-
Sales taxes receivable	**2,919**	5,304
Total Assets	**11,765**	35,729
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	**15,861**	14,193
Due to related parties (Note 5)	**1,043**	11,409
	16,904	25,602
Due to related parties (Note 5)	**65,000**	21,500
Total Liabilities	**81,904**	47,102
SHAREHOLDERS' DEFICIT		
Share capital (Note 6)	**19,068,460**	19,012,460
Contributed surplus	**5,011,342**	5,011,342
	24,079,802	24,023,802
Deficit	**(24,149,941)**	(23,035,175)
Total Shareholders' Deficit	**(70,139)**	(11,373)
Total Liabilities and Shareholders' Deficit	**11,765**	35,729

Subsequent events (Note 12)

Approved by Directors

"Thomas Braun" *"Jake Thiessen"*

The accompanying notes are an integral part of these financial statements

Verisante Technology, Inc.
Statements of Comprehensive Loss for the Years Ended December 31, 2024 and December 31, 2023
(expressed in Canadian dollars unless otherwise stated)

	December 31, 2024 $	December 31, 2023 $
Expenses		
Advertising	**3,042**	4,421
General and administrative (Note 5)	**103,824**	123,658
Regulatory and trustee fees	**7,901**	8,190
Total Expenses	**114,767**	136,269
Loss from Operations	**(114,767)**	(136,269)
Other Income		
Gain on settlement of debt	-	45,744
Total Other Income	-	45,744
Net Loss and Comprehensive Loss for the Year	**(114,767)**	(90,525)
Basic and Diluted Loss Per Common Share	**0.00**	0.00
Weighted Average Number of Common Shares Outstanding	**42,805,764**	34,072,799

The accompanying notes are an integral part of these financial statements

Verisante Technology, Inc.
Statement of Changes in Deficit for the Years Ended December 31, 2024 and December 31, 2023
(expressed in Canadian dollars unless otherwise stated)

	Share Capital					
	Common Shares	**Amount**	**Contributed Surplus**	**Shares Subscribed (Note 6)**	**Deficit**	**Total Shareholders' Deficit**
		$	$	$	$	$
Balance, January 1, 2023	32,738,004	18,928,460	5,011,342	10	(23,944,649)	(4,837)
Shares to be issued – related party's loan	5,600,000	84,000	–	–	–	84,000
Net loss for the year	–	–	–	(10)	(90,526)	(90,536)
Balance, December 31, 2023	38,338,004	19,012,460	5,011,342	–	(24,035,175)	(11,373)
Balance, January 1, 2024	38,338,004	19,012,460	5,011,342	–	(24,035,175)	(11,373)
Share issued for settled related parties' debt	5,600,000	56,000	–	–	–	56,000
Net loss for the year	–	–	–	–	(114,767)	(114,767)
Balance, December 31, 2024	**43,938,004**	**19,068,460**	**5,011,342**	–	**(24,149,941)**	**(70,139)**

The accompanying notes are an integral part of these financial statements

Verisante Technology, Inc.
Statements of Cash Flows for the Years Ended December 31, 2024 and December 31, 2023
(expressed in Canadian dollars unless otherwise stated)

	December 31, 2024 $	December 31, 2023 $
Cash Flows Used in Operating Activities		
Cash paid to suppliers and employees	**(30,347)**	(107,974)
Goods and services tax received (paid)	**2,385**	- (2,757)
	(27,962)	(110,731)
Cash Flows Provided by Financing Activities		
Advances from related party	**5,134**	55,375 -
	5,134	55,375
Net Decrease in Cash	**(22,828)**	(55,356)
Cash – Beginning of Period	**30,425**	85,781
Cash – End of Period	**7,596**	30,425
Cash Represented by:		
Cash On Hand and Balances with Banks	**7,596**	30,425
Supplemental Non-cash Disclosures:		
Shares issued for related party's loan	**56,000**	84,000

The accompanying notes are an integral part of these financial statements

1 Corporate information

Verisante Technology, Inc. (the “Company”), a British Columbia corporation, was incorporated on March 7, 2006. The Company is trading on the NEX Board of the TSX Venture Exchange (the “TSX-V” or “Exchange”) under the ticker symbol VER.H.

From 2006 to 2018, the Company designed and manufactured innovative cancer diagnostic devices. In 2018 the Company discontinued this business and became inactive. Currently, our business strategy is to identify and complete a business combination with a company in any industry that demonstrates significant growth potential and/or value creation opportunities for the shareholders.

The Company’s address is Suite 170, 422 Richards Street, Vancouver, British Columbia, Canada, V6B 2Z4.

The financial statements were authorized for issue by the Board of Directors on April 15, 2025.

2 Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on a going concern basis.

Basis of measurement

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements include the determination of impairment on financial and non-financial assets, the valuation of future income tax assets, the fair value of share-based payments, and determining whether contingent assets or liabilities exist.

Going concern of operations

The Company reported a loss from operations of $114,767 (2023 - $90,525) for the year ended December 31, 2024, has an accumulated deficit of $24,149,941 (December 31, 2023 - $24,035,175) and has a working capital deficiency of $5,139 (December 31, 2023 - $10,127 working capital) at December 31, 2024, due to these conditions, there is a material uncertainty on the Company’s ability to continue as a going concern. As of December 31, 2024, the Company has limited cash resources to meet its near-term obligations for the next six months.

The Company’s future plans are dependent upon it securing a target business that qualifies for a Reverse Takeover prior to December 31, 2025, when the Company’s cash resources are expected to be depleted. If the Company is not successful with securing a target business by then, it will not have sufficient cash resources to continue in operation unless it receives an additional loan from directors or cash flows through common share equity raises. The directors have maintained the going concern assumption in the preparation of these interim financial statements.

These interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

3 Summary of material accounting policies

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

3 Summary of material accounting policies (continued)

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model. The following is the Company's new accounting policy for financial instruments under IFRS 9:

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

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

(ii) Measurement

<u>Financial assets and liabilities at amortized cost</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

<u>Debt investments at FVOCI</u>

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in Other Comprehensive Income ("OCI") are reclassified to profit or loss.

<u>Equity investments at FVOCI</u>

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3 Summary of material accounting policies (continued)

Financial instruments (continued)

(iii) Impairment of financial assets at amortized cost

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

(iv) De-recognition

Financial assets

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

(iv) De-recognition (Continued)

Financial liabilities

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

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

Share capital

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when any warrants are ultimately exercised, the applicable amounts are transferred from warrants to share capital. If the warrants expire unexercised, the applicable amounts are transferred from warrants to contributed surplus.

Income taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date. Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS 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 period, adjusted for shares held by the Company. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for shares held by the Company, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to employees and consultants.

3 Summary of material accounting policies (continued)

Standards, amendments, and interpretations not yet effective

A number of new standards, and amendments to standards and interpretations, were not yet effective for the year ended December 31, 2024 and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations were either not applicable or are not expected to have material impact on the company's financial statements.

4 Proposed reverse takeover (the "RTO") transaction

On August 12, 2024, the Company entered a binding Letter of Intent (the "LOI"), to acquire a 100-per-cent interest in SunRegen Healthcare AG (the "SunRegen"), a Swiss pharmaceutical company, by way of a three-cornered amalgamation agreement. The proposed transaction is a reverse takeover (RTO) pursuant to Policy 5.2 of the Exchange and the resulting issuer intends to qualify as a Tier 2 life sciences issuer.

SunRegen is a Swiss pharmaceutical company focused on the development of neurodegenerative-related drugs. Currently, it is focusing on the development of its lead compound, SBC003, for the treatment of neuronal-apoptosis-related diseases, starting with ophthalmic neurodegenerative diseases and gradually expanding to the treatment of CNS (central nervous system) neurodegenerative diseases. SunRegen intends to start in the ophthalmic field by applying for FDA (U.S. Food and Drug Administration) drug approval for the treatment of retinitis pigmentosa (RP) and then expanding to the treatment of dry AMD (age-related macular degeneration) and other degenerative diseases.

The Company currently has 43,938,004 common shares and 1,000,000 stock options outstanding with no preferred shares, warrants or any other securities outstanding. Initially, the Company will consolidate its common shares on a 1:10 basis, resulting in 4,393,800 common shares and 100,000 share options outstanding post consolidation. The Company will then acquire 100 per cent of SunRegen's outstanding equity in exchange for 39,544,204 of newly issued common shares on a post consolidation basis, resulting in a total post consolidation, post acquisition outstanding amount of 43,938,004 common shares. SunRegen shareholders will thus own 90 per cent of the outstanding common shares of the resulting issuer on a pre-money basis. The acquisition shares will have a deemed value of 80 cents per share for an aggregate deemed acquisition value of $31,635,363.

The parties will conduct a capital raise prior to the RTO and/or concurrently for a minimum amount sufficient to comply with TSX-V Tier 2 life sciences issuer listing requirements, including, but not limited to, an amount sufficient to comply with the 20-per-cent public float requirement and to carry out the listed issuer's business plan for at least 12 months plus $100,000 of unallocated working capital.

The use of proceeds of the anticipated financing will be to advance the regulatory approval of SunRegen's drug candidate, SBC003, toward FDA phase I by hiring a CRO to conduct CMC and safety studies for retinitis pigmentosa (RP). New investors participating in the pre-RTO financing subsequent to the date of the LOI will receive acquisition shares based on the same ratio as the existing SunRegen shareholders such that both the Company and SunRegen shareholders will experience to the same dilution as a result of the anticipated capital raise.

SunRegen will become a 100-per-cent-owned subsidiary of the Company upon closing. The board of directors of the resulting issuer will have at least five members, of which four will be nominated by SunRegen. The proposed RTO transaction is not a related party transaction or business combination as defined in Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions. The proposed RTO is subject to shareholder approval by both parties, exchange acceptance, the completion of a concurrent financing the terms of which have yet to be finalized.

(Note 12)

(expressed in Canadian dollars unless otherwise stated)

5 Related party transactions

At December 31, 2024, the Company was indebted to the Chief Executive Officer ("CEO") of the Company for $48,043 (December 31, 2023 - $26,909) for expenses paid on behalf of the Company and management fees. The balance is unsecured and non-interest bearing.

At December 31, 2024, the Company was indebted to the Chief Financial Officer ("CFO") of the Company for $18,000 (December 31, 2023 - $6,000) for management fees.

For the year ended December 31, 2024, the Company entered into two debt settlement agreements with the CEO and CFO, respectively. The agreements settled the debts of $44,000 and $12,000 with the CEO and CFO, by issuing 4,400,000 and 1,200,000 common shares of the Company, respectively, at a price of $0.01 per share (Note 6).

For the year ended December 31, 2023, the Company entered into two debt settlement agreements with the CEO and CFO, respectively. The agreements settled the debts of $60,000 and $24,000 with the CEO and CFO, by issuing 4,000,000 and 1,600,000 common shares of the Company, respectively, at a price of $0.015 per share (Note 6).

For the year ended December 31, 2024, the Company incurred management fees of $60,000 (2023 - $60,000) to the CEO of the Company, and $24,000 (2023 - $24,000) to the CFO of the Company.

6 Share capital

Common shares

The Company is authorized to issue an unlimited number of common shares without par value.

All of the authorized unlimited common shares are of the same class and, once issued, rank equally as to dividends, if and when declared by the Board of Directors, voting powers (one vote per share) and participation in assets upon dissolution or winding-up.

Preferred shares

The Company is authorized to issue an unlimited number of Class A preferred shares and Class B preferred shares.

The preferred shares shall have certain rights, privileges, restrictions and conditions as determined by the Board of Directors. No preferred shares have been issued since the Company's inception.

Common shares – debt settlement

For year ended December 31, 2024, the Company settled the debts of $44,000 and $12,000 with the CEO and CFO, by issuing 4,400,000 common shares and 1,200,000 common shares, respectively, at a price of $0.01 per share (Note 5).

For year ended December 31, 2023, the Company settled the debts of $60,000 and $24,000 with the CEO and CFO, by issuing 4,000,000 common shares and 1,600,000 common shares, respectively, at a price of $0.015 per share (Note 5).

7 Stock options and warrants

The Company has a stock option plan that provides for the issuance of options to its directors, officers and employees. The Board has set the total number of stock options available under Stock Option Plan at 2,100,000. The term of the options must be no longer than 10 years and the directors determine the vesting period.

There were no stock options granted or exercised/cancelled/expired during the period ended September 30, 2024.

As at December 31, 2024, outstanding stock options are as follows:

Expiry Date	Number of Options	Exercise Price ($)	Remaining Life (Years)
August 31, 2025	1,000,000	0.10	0.67

7 Stock options and warrants (continued)

Share purchase warrants

There were no warrants issued or exercised/cancelled/expired during the year ended December 31, 2024.

As at December 31, 2024, there are no warrants outstanding.

8 Management of capital

The Company manages its cash, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian financial institution account.

9 Financial instruments

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2024, and December 31, 2023, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2024 $
Cash	7,596	–	–	7,596

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2023 $
Cash	30,425	–	–	30,425

The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans payable, and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, accounts receivable and sales taxes receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company's sales taxes receivable are with the government of Canada in the form of sales tax, and therefore the credit risk is minimal. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate Risk

The Company operates in Canada and its cash is held in Canada in Canadian dollars. the Company believes there is no exposure to foreign currency fluctuations.

(expressed in Canadian dollars unless otherwise stated)

9 Financial instruments (Continued)

Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is expose to liquidity risk at moderate level.

10 Accounts payable and accrued liabilities

At December 31, 2024, and December 31, 2023, accounts payable and accrued liabilities consist of the following amounts:

	December 31, 2024 **$**	December 31, 2023 $
Trade payable	**3,981**	2,193
Accruals	**11,880**	12,000
	15,861	14,193

11 Income taxes

	2024 **$**	2023 $
Statutory rates	**27.00%**	27.00%
Income tax expense (recovery) at statutory rate	**(31,000**	(24,400)
Gain on settlement of debt		(12,400)
Non-capital losses carried forward	**31,000**	36,800
Future income taxes recovered	**–**	–

The components of future income taxes are:

	2024 **$**	2023 $
Non-capital losses carry forwards	**6,323,000**	6,292,000
Financing costs	**–**	–
Valuation allowance	**(6,323,000)**	(6,292,000)
Net future tax assets	**–**	–

As of December 31, 2024, the Company has available non-capital tax losses of approximately $23,418,528(December 31, 2023 - $23,303,761) that may be offset against future Canadian taxable income. These losses expire as follows:

(expressed in Canadian dollars unless otherwise stated)

11 Income taxes (continued)

	$
2031	3,290,494
2032	2,943,784
2033	3,789,921
2034	2,968,748
2035	644,161
2036	586,908
2037	7,577,741
2041	57,225
2042	241,984
2043	136,270
2044	114,767
	23,418,528

12 Subsequent events

On March 31, 2025, the Company mutually agreed with SunRegen to terminate the LOI, dated August 12, 2024, to acquire SunRegen Healthcre, by way of a reverse takeover (RTO).