JACK NATHAN MEDICAL CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended July 31, 2023 and 2022

RESPONSIBILITY FOR INTERIM CONDENSED CONSOLDIATED FINANCIAL STATEMENTS (UNAUDITED)

The accompanying interim condensed unaudited consolidated financial statements of Jack Nathan Medical Corp. for the three and six months ended July 31, 2023 and 2022 have been prepared by Management in accordance with International Financial Accounting Standards, IAS 34 - Interim Financial Reporting.

Auditor Involvement

The auditor of Jack Nathan Medical Corp. has not performed a review of these interim condensed consolidated financial statements.

Woodbridge, Ontario

September 21, 2023

JACK NATHAN MEDIAL CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
July 31, 2023 and 2022

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT

	Note	July 31 2023 $	January 31, 2023 $
ASSETS			
Current Assets			
Cash		**7,242,396**	1,461,654
Trade and other receivables	8	**796,405**	838,827
Government remittances receivable		**109,394**	54,134
Prepaids and deposits		**47,531**	159,702
Total current assets		**8,195,726**	2,514,317
Long Term Assets			
Right-of-use assets	7	**614,366**	758,244
Other receivable	8	**81,685**	88,183
Property and equipment	9	**2,654,398**	1,797,318
Intangibles	10	**1,027,216**	1,293,037
TOTAL ASSETS		**12,573,391**	6,451,099
LIABILITIES AND SHAREHOLDERS' EQUITY(DEFICIT)			
Current Liabilities			
Accounts payable and accrued liabilities	16	**2,741,176**	3,164,970
Lease obligation - current portion	11	**313,469**	321,585
Loans payable - current portion	12	**2,053,323**	2,125,517
Total current liabilities		**5,107,968**	5,612,072
Long-Term Liabilities			
Tenant deposits		**218,130**	216,733
Deferred revenues		**369,597**	387,258
Lease obligation	11	**298,630**	437,099
Loans payable	12	**9,021,644**	1,665,694
Deferred tax liabilities	12	**474,412**	—
Total Liabilities		**15,490,381**	8,318,856
Shareholders' Equity			
Share capital	13	**19,877,921**	19,765,601
Contributed surplus		**5,677,370**	4,398,228
Accumulated other comprehensive income		**(221,328)**	(107,164)
Deficit		**(28,250,953)**	(25,924,422)
Shareholders' equity attributable to shareholders		**(2,916,990)**	(1,867,757)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,573,391**	6,451,099

Subsequent events *[note 21]*

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

JACK NATHAN MEDICAL CORP.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2023 AND 2022

		Three months ended July 31		Six months ended July 31	
		2023	2022	2023	2022
	Note	$	$	$	$
REVENUES	6	**4,568,207**	3,630,659	**8,795,598**	7,523,981
OPERATING EXPENSES					
Associate fees		**2,092,277**	1,842,730	**4,003,031**	3,763,489
Clinic operations		**819,597**	797,842	**1,743,211**	1,754,309
Clinic supplies		**371,566**	83,029	**627,624**	153,167
License fees		**154,190**	154,052	**205,586**	308,241
Consulting fees	17	**256,168**	337,214	**554,900**	682,005
Professional fees		**201,386**	348,907	**327,719**	441,864
Investor communications		**37,481**	21,707	**60,052**	56,199
Office and general		**355,984**	267,717	**652,722**	458,771
Advertising and promotion		**68,677**	68,479	**121,869**	120,609
Development costs		**31,060**	78,800	**65,681**	152,701
Acquistion related costs		**474,300**	90,468	**474,300**	211,149
Salaries and wages		**685,846**	439,768	**1,201,924**	904,466
Share based compensation expense	14, 17	**166,220**	168,751	**355,080**	573,690
Bad debt expense (recovery)		**—**	(9,661)	**456**	(9,661)
Depreciation	9	**116,428**	73,131	**252,230**	145,975
Depreciation - right-of-use-asset	7	**71,939**	63,706	**143,878**	143,068
Amortization - intangible assets	10	**177,214**	122,121	**265,821**	240,217
		6,080,333	4,948,761	**11,056,084**	10,100,259
LOSS FROM OPERATIONS		**(1,512,126)**	(1,318,102)	**(2,260,486)**	(2,576,278)
Interest income		**2,325**	3,177	**2,559**	6,511
Finance costs	11,12	**(85,983)**	(63,677)	**(220,558)**	(114,458)
Foreign exchange gain (loss)		**59,149**	(23,301)	**151,954**	6,617
LOSS BEFORE TAXES		**(1,536,635)**	(1,401,903)	**(2,326,531)**	(2,677,608)
Deferred income tax recovery (expense)		**—**	8,933	**—**	17,571
NET LOSS		**(1,536,635)**	(1,392,970)	**(2,326,531)**	(2,660,037)
Foreign currency translation adjustment		**(45,679)**	22,996	**(114,164)**	(4,984)
COMPREHENSIVE LOSS		**(1,582,314)**	(1,369,974)	**(2,440,695)**	(2,665,021)
Loss per share – basic and diluted	15	(0.02)	(0.02)	(0.03)	(0.03)
Basic		**84,732,528**	83,841,833	**84,732,528**	83,640,028
Diluted		**88,053,670**	83,841,833	**87,441,078**	83,640,028

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

JACK NATHAN MEDICAL CORP.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JULY 31, 2023 and 2022

	Note	Common Shares	Share Capital	Contributed Surplus	Warrants	Accumulated Comprehensive Income (Loss)	Deficit attributable to Shareholders	Accumulated Shareholders' Equity (Deficit)
		# Issued	$	$	$	$	$	$
Balance, January 31, 2023		**84,329,547**	**19,765,601**	**4,398,228**	—	**(107,164)**	**(25,924,422)**	**(1,867,757)**
Contingent consideration for acquisitions	13a,b	1,123,204	112,320	(112,320)	—	—	—	—
Share based compensation expense	14	—	—	355,080	—	—	—	355,080
Convertible Debenture	12	—	—	1,036,382	—	—	—	1,036,382
Cumulative translation adjustment		—	—	—	—	(114,164)	—	(114,164)
Net Loss	15	—	—	—	—	—	(2,326,531)	(2,326,531)
Balance, July 31, 2023		**85,452,751**	**19,877,921**	**5,677,370**	—	**(221,328)**	**(28,250,953)**	**(2,916,990)**
Balance, January 31, 2022		83,409,935	19,642,653	3,320,043	74,406	67,097	(19,021,663)	4,082,536
Share based compensation expense	14	—	—	573,690	—	—	—	573,690
Contingent consideration for acquisitions		546,408	80,389	(80,389)	—	—	—	—
Cumulative translation adjustment		—	—	—	—	(4,984)	—	(4,984)
Net loss		—	—	—	—	—	(2,660,037)	(2,660,037)
Balance, July 31, 2022		83,956,343	19,723,042	3,813,344	74,406	62,113	(21,681,700)	1,991,205

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

JACK NATHAN MEDICAL CORP.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JULY 31, 2023 and 2022

	Note	July 31, 2023 $	July 31, 2022 $
CASH FLOWS FROM:			
OPERATING ACTIVITIES			
Net loss		**(2,326,531)**	(2,660,037)
Add items not involving cash:			
Share based compensation expense	14	**355,080**	573,690
Depreciation	9	**252,230**	145,975
Depreciation - right-of-use assets	7	**143,878**	143,068
Amortization - intangible assets	10	**265,821**	240,217
Amortization - Debt issuance cost	12	**38,660**	—
Discount on debenture	12	**(753,855)**	—
Interest expense on lease obligation	11	**42,656**	61,772
CEBA loan forgiveness	12	**(38,148)**	—
Accretion expense	12	**2,896**	15,782
	8	**(2,017,313)**	(1,479,533)
Changes in non-cash working capital			
Trade and other receivables	8	**42,422**	350,395
Government remittances receivable (payable)		**(55,260)**	(14,946)
Prepaids and deposits		**112,171**	264,955
Other receivable	8	**6,498**	5,767
Accounts payable and accrued liabilities		**(423,794)**	616,578
Tenants deposits		**1,397**	(10,387)
Deferred revenue		**(17,661)**	20,638
Deferred tax liabilities		**474,412**	(17,571)
CASH USED IN OPERATING ACTIVITIES		**(1,877,128)**	(264,104)
INVESTING ACTIVITIES			
Purchase of property and equipment	9	**(44,717)**	(173,018)
Construction in progress	9	**(1,471,433)**	—
CASH USED IN INVESTING ACTIVITIES		**(1,516,150)**	(173,018)
FINANCING ACTIVITIES			
Repayment of purchase consideration payable		—	(174,300)
Proceeds of loans payable	12	**9,134,650**	800,000
Repayment of loans payable	12	**(64,065)**	(158,844)
Repayment of lease obligations	11	**(189,241)**	(191,815)
Funds received for contruction in progress	9	**398,383**	(78,197)
CASH GAINED FROM FINANCING ACTIVITIES		**9,279,727**	196,844
EFFECT Of FOREIGN CURRENCY TRANSLATION		**(105,707)**	(7,242)
NET DECREASE IN CASH		**5,780,742**	(247,520)
CASH, BEGINNING OF PERIOD		**1,461,654**	1,064,008
CASH, END OF PERIOD		**7,242,396**	816,488

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

1. NATURE OF BUSINESS AND OPERATIONS

Jack Nathan Medical Corp. ("JNH" or the "Company") is a provider of primary care medical clinics located in Walmart Supercentres under the Jack Nathan Health brand. JNH is the resulting issuer of a qualifying transaction that constituted a reverse takeover ("RTO") between Woodbridge Ventures Inc. ("Woodbridge") and Jack Nathan Medical Inc. and subsidiaries ("JNMI").

JNMI, an Ontario Company was incorporated in December 2006, designs, builds and sets-up barrier free medical and clinics for physicians in high-density centers, providing patients with an opportunity to receive immediate access to quality care in modern facilities.

On October 6, 2020, the reverse takeover transaction between Woodbridge and JNMI was completed. This qualifying transaction was affected by way of securities exchange between Woodbridge and JNMI. Concurrently with the closing of this transaction, JNH completed a brokered private placement financing for gross proceeds of $5,648,105 with the issuance of 11,296,211 units at a price of $0.50 per unit consisting of one share and one-half warrant (see note 4). In addition, each option to purchase JNH shares outstanding on the date of the transaction was automatically exercised immediately prior to the completion of the transaction and exchanged into resulting issuer shares.

Upon completion of this transaction, the Company owned 100% of the issued and outstanding shares of JNMI.

Prior to the RTO, JNH held 95% of the issued share capital of JNH Shanghai, which was incorporated in China, in 2016, 100% of the issued share capital of Vivify Wellness Inc ("Vivify") incorporated in Ontario, Canada in 2019 and 99.9% of JNH Medico Mexico ("JNH Mexico") incorporated in Mexico in 2017.

Subsequent to the RTO the following new subsidiaries were acquired:

- Jack Nathan Functional Health Inc. ("Jack Nathan Health") owned 100% by JNH at October 31, 2021 (formerly 80% from December 14, 2020 until September 3, 2021, note 26)
- Writi Inc., ("Writi") owned 100% by JNH - January 8, 2021
- Redeem Cosmetic & Surgical Inc. and 1883853 Ontario Limited ("MedSpas") - February 17, 2021

The registered and head office of the Company is located at 6-6150 Highway 7 #491 Woodbridge, Ontario, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited interim condensed consolidated financial statements for the three and six months ended July 31, 2023 have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The disclosure contained in these unaudited interim condensed consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements ("IAS 1"). Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended January 31, 2023, which include information necessary to understand the Company's business and financial statement presentation.

[Expressed in Canadian Dollars]

2. BASIS OF PREPARATION (Continued)

a) Statement of compliance

The interim condensed unaudited consolidated financial statements were authorized for issuance by the Board of Directors on September 20, 2023.

b) Basis of consolidation

Subsidiaries

Subsidiaries consist of companies over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-company balances and transactions.

The table below lists the Company's subsidiaries that are consolidated in these financial statements:

Subsidiary	Principal place of business	July 31, 2023		January 31, 2023
JNH Mexico	Mexico	99.9%		99.9%
Vivify	Inactive	100.0%		100.0%
JNH Shanghai	Inactive	95.0%	(1)	95.0%
Jack Nathan Health	Ontario, Canada	100.0%		100.0%
Writi	Ontario, Canada	100.0%		100.0%
MedSpas	Ontario, Canada	100.0%		100.0%

(1) The interest of non-controlling shareholders of JNH Shanghai have not been prepared separately due to no active business in JNH Shanghai.

All intercompany group transactions, balances, income, and expenses are eliminated in full on consolidation.

c) Basis of measurement

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of these unaudited interim condensed consolidated financial statements in conformity with IFRS as issued by the IASB requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These unaudited interim condensed consolidated financial statements have been prepared in their functional currency on a historical cost basis except for long-term liabilities, loans receivable, and derivatives, which are measured at amortized cost or fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as presented in Note 3 of the annual audited consolidated financial statements of the Company as at and for the year ended January 31, 2023. Several amendments and interpretations of IFRS apply for the first time in 2023, however, they do not have a material impact on the unaudited condensed consolidated interim financial statements.

Newly Accounting Standards issued but not yet effective

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, certain other directly related costs have been included by the Group in determining the costs of fulfilling the contracts. The Group, therefore, recognised an onerous contract provision as at 1 January 2022, which increased as of 31 December 2022 (Note 27). In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information. These amendments had no impact on the consolidated financial statements of the Group as there were no onerous contracts within the scope of these amendments that arose during the period.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Accounting Standards issued but not yet effective (Continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IFRS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the consolidated financial statements of the Group as it is not a first time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

4. GOING CONCERN ASSUMPTION

These interim condensed consolidated financial statements have been prepared on a basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These unaudited interim condensed consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company incurred a net loss of $2,326,531 during the six months ended July 31, 2023 (year ended January 31, 2023 - $6,902,759), accumulated deficit of $28,250,953 at July 31, 2023 (January 31, 2023 - $25,924,422) and, as at July 31, 2023 had working capital of $3,087,758.

4. GOING CONCERN ASSUMPTION (continued)

As at September 21, 2023, the Company has sufficient working capital to continue operations for the foreseeable future.

5. BUSINESS ACQUISITIONS

(a) Acquisition of Comox Valley clinic

On August 27, 2021, the Company acquired 100% of the identified assets of Comox Valley medical clinic located in Courtenay, British Columbia ("Comox Valley") which offers a turnkey clinic including all existing equipment and leasehold improvements. The new clinic is located in the Walmart Supercentre in Courtenay, British Columbia and represents the second medical clinic opened in British Columbia. The Company determined the acquisition was a business combination under IFRS 3, Business Combinations, and was accounted for by applying the acquisition method. The assets acquired and liabilities assumed were recorded at fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill.

The aggregate purchase consideration of $137,111 comprised of the following:

- $97,200 cash paid on the acquisitions date, less a holdback amount of $24,300. This holdback was subsequently paid on February 28, 2022,
- $1,985 in satisfaction of unpaid license fees owning to the Company,
- The issuance of 92,816 in common shares of the Company at a price of $0.76, and
- Contingent consideration arrangements consist of four payments based on the seller entering into a physician agreement and acting as the medical director for a period of 24 months after the acquisition date. These payments consist of the following:
  - First payment consisting of $48,600 cash, and 46,408 common shares of the Company due 6 months after the date of acquisition, which 46,408 common shares were issued on February 27, 2023, and $48,600 cash paid 60 days later on March 27, 2022,
  - Second payment consisting of $24,300 cash and 23,204 common shares of the Company due 12 months after the date of acquisition, which 23,204 common shares were issued on August 27, 2022, and $24,300 paid 31 days later on September 27, 2022
  - Third payment consisting of $24,300 cash and 23,204 common shares of the Company due 18 months after the date of acquisition which 23,204 common shares were issued on February 27, 2023, and $24,300 paid 17 days later on March 16, 2023
  - Fourth payment consisting of $48,600 cash, and 46,408 common shares of the Company due 24 months after the date of acquisition and may be adjusted upwards or downwards not to exceed 20% of total cash and total share consideration based on achieving certain revenue targets.

(b) Acquisition of Bridger clinics

On November 23, 2021, the Company acquired 100% of the identified assets of five medical clinics located in British Columbia which offers a turnkey clinic including all existing equipment and leasehold improvements. Two of five of the new clinics are located in the Walmart Supercentre and the combined total space represents approximately 7,900 square feet of medical clinic operations. The Company determined the acquisition was a business combination under IFRS 3, Business Combinations, and was accounted for by applying the acquisition method. The assets acquired and liabilities

5. BUSINESS ACQUISITIONS (Continued)

(b) Acquisition of Bridger clinics (continued)

assumed were recorded at fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill.

The aggregate purchase consideration of $812,500 comprised of the following:

- $525,000 cash paid on the acquisitions date, less a holdback amount of $150,000
- $1,452 in satisfaction of unpaid license fees owning to the Company,
- The issuance of 1,250,000 in common shares of the Company at a price of $0.23, and
- Contingent arrangements consist of four payments based on the seller entering into a physician agreement and acting as the medical director for a period of 24 months after the acquisition date.

The payments consist of the following:

- First payment consisting of $150,000 cash, and 300,000 common shares of the Company due 6 months after the date of acquisition. If the closing share price for each JNMC common share is: (i) under $0.40, then 400,000 common shares of JNMC or (ii) under $0.25, then 500,000 common shares. On May 23, 2022, pursuant to the terms of the Bridger clinics asset purchase agreement, the first contingent consideration payment of $150,000 and 500,000 shares became payable within 30 days. 500,000 common shares of the Company were issued at $0.15 for a value of $72,500. On June 23, 2022, $150,000 was paid and the 500,000 shares issued, as well as an additional holdback amount of $150,000. (note 26)
- Second payment consisting of $75,000 cash and 150,000 common shares of the Company due 12 months after the date of acquisition. If the closing share price for each JNMC common share is: (i) under $0.40, then 250,000 common shares of JNMC or (ii) under $0.25, then 350,000 common shares. On November 23, 2022, pursuant to the terms of the Bridger clinics asset purchase agreement, the second contingent consideration payment of $75,000 and 350,000 shares became payable within 30 days. 350,000 common shares of the Company were issued at $0.11 for a value of $38,500. On December 22, 2022 $75,000 was paid.
- Third payment consisting of $450,000 cash and 900,000 common shares of the Company due 18 months after the date of acquisition. If the closing share price for each JNMC common share is: (i) under $0.40, then 1,000,000 common shares of JNMC or (ii) under $0.25, then 1,100,000 common shares. On May 23, 2023, pursuant to the terms of the Bridger clinics asset purchase agreement, the third contingent consideration payment of $450,000 and 1,100,000 shares became payable within 30 days. 1,100,000 common shares of the Company were issued at $0.10 for a value of $110,000. On August 3, 2023 $450,000 was paid.
- Fourth payment consisting of $300,000 cash, and 600,000 common shares of the Company due 24 months after the date of acquisition and may be adjusted upwards or downwards not to exceed 20% of total cash and total share consideration based on achieving certain revenue targets, not to be less than $225,000 and not to exceed $375,000. If the closing share price for each JNMC common share is: (i) under $0.40, then 700,000 common shares of JNMC or (ii) under $0.25, then 1,000,000 common shares.

[Expressed in Canadian Dollars]

6. REVENUES

Revenues for the three and six months ended July 31, 2023, and 2022 consist of the following:

	Three months ended July 31		Six months ended July 31	
	2023	2022	2023	2022
	$	$	$	$
Clinic operations	3,909,899	2,953,598	7,406,876	6,098,789
License revenues	577,687	620,294	1,258,811	1,293,885
Other revenues	80,621	56,767	129,911	131,307
Total revenues	**4,568,207**	**3,630,659**	**8,795,598**	**7,523,981**

Other revenues include revenues from Writi and the CEBA loan forgiveness.

7. RIGHT-OF-USE ASSETS

The Company recognized the right-of-use asset for its office space lease and Medspas equipment as follows:

Balance - January 31, 2023	758,244
Additions	-
Depreciation	(143,878)
Balance - July 31, 2023	**614,366**

Depreciation of right-of-use asset for the six months ended July 31, 2023, was $143,878 (2022 - $143,067).

8. TRADE AND OTHER RECEIVABLES

The company's trade accounts receivable are summarized as follows as of July 31, 2023, and January 31, 2023:

		July 31, 2023		Janaury 31, 2023
Trade receivables	$	792,078	$	835,231
Less: expected credit losses		(8,292)		(8,292)
		783,786		826,939
Current portion of other receivable		12,619		11,888
	$	**796,405**	$	838,827

Trade receivables are non-interest bearing and the average credit period is 30 days (2022 - 30 days) according to the terms agreed with the customers.

The company's other receivable represents amounts due pursuant to a license agreement with consideration due for paying for a portion of leasehold improvements in an amount of $1,938 per month for a period of ten years, starting March 1, 2019.

[Expressed in Canadian Dollars]

9. PROPERTY AND EQUIPMENT

The components of property and equipment are as follows as of July 31, 2023:

Cost	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2023	697,480	161,476	1,427,027	226,677	2,512,660
Additions	42,113	2,604	-	1,471,433	1,516,150
Transfer to use	-	-	1,885,504	(1,885,504)	-
Funding for construction	-	-	-	(398,383)	(398,383)
Impact on foreign exchange	102	-	-	-	102
Balance - July 31, 2023	**739,695**	**164,080**	**3,312,531**	**(585,777)**	**3,630,529**

Accumulated Depreciation	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2023	279,536	50,882	384,924	-	715,342
Depreciation	73,889	16,425	161,916	-	252,230
Impact on foreign exchange	8,559	-	-	-	8,559
Balance - July 31, 2023	**361,984**	**67,307**	**546,840**	-	**976,131**

Net Book Value	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2023	417,944	110,594	1,042,103	226,677	1,797,318
Balance - July 31, 2023	**377,711**	**96,773**	**2,765,691**	**(585,777)**	**2,654,398**

[Expressed in Canadian Dollars]

9. PROPERTY AND EQUIPMENT (continued)

Cost	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2022	614,550	150,450	1,411,597	-	2,176,597
Additions	2,668	-	8,012	162,339	173,019
Impact on foreign exchange	3,052	-	-	-	3,052
Balance - July 31, 2022	**620,270**	**150,450**	**1,419,609**	**162,339**	**2,352,668**

Accumulated Depreciation	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2022	141,660	25,771	245,437	-	412,868
Depreciation	61,296	15,172	69,507	-	145,975
Impact on foreign exchange	795	-	-	-	795
Balance - July 31, 2022	**203,751**	**40,943**	**314,944**	-	**559,638**

Net Book Value	Clinic Equipment $	Furniture and Fixtures $	Leasehold Improvements $	Construction in Progress $	Total $
Balance - January 31, 2022	472,890	124,679	1,166,160	-	1,763,729
Balance - July 31, 2022	**416,519**	**109,507**	**1,104,665**	**162,339**	**1,793,030**

Depreciation for the six months ended July 31, 2023, was $252,230 (2022 - $145,975).

10. INTANGIBLES

Intangible assets include customer lists and patient records relating to the acquisition of Medical which are summarized as follows as of July 31, 2023:

Cost	Technology $	Brand $	Customer or Patient Lists $	Total $
Balance - January 31, 2023 and July 31, 2023	**-**	**-**	**1,772,136**	**1,772,136**

Accumulated Amortization	Technology $	Brand $	Customer or Patient Lists $	Total $
Balance - January 31, 2023	-	-	**479,099**	**479,099**
Amortization	-	-	265,821	265,821
Balance - July 31, 2023	**-**	**-**	**744,920**	**744,920**

Net Book Value	Technology $	Brand $	Customer or Patient Lists $	Total $
Balance - January 31, 2023	-	-	1,293,037	1,293,037
Balance - July 31, 2023	-	-	**1,027,216**	**1,027,216**

[Expressed in Canadian Dollars]

10. INTANGIBLES (continued)

Cost	Technology	Brand	Customer or Patient Lists	Total
	$	$	$	$
Balance - January 31, 2022 and July 31, 2022	**469,000**	**100,000**	**1,879,136**	**2,448,136**

Accumulated Amortization	Technology	Brand	Customer or Patient Lists	Total
	$	$	$	$
Balance - January 31, 2022	**99,711**	**21,260**	**145,075**	**266,046**
Amortization	46,001	9,808	184,408	240,217
Balance - July 31, 2022	**145,712**	**31,068**	**329,483**	**506,263**

Net Book Value	Technology	Brand	Customer or Patient Lists	Total
	$	$	$	$
Balance - January 31, 2022	369,289	78,740	1,734,061	2,182,090
Balance - July 31, 2022	**323,288**	**68,932**	**1,549,653**	**1,941,873**

11. LEASE OBLIGATIONS

The following table presents the lease obligations for the Company:

	$
Balance - January 31, 2023	758,684
Interest expense	42,656
Lease payments	(189,241)
Balance - July 31, 2023	**612,099**

	$
Current Portion	313,469
Non-current portion	298,630
	612,099

The following table presents the contractual undiscounted cash flows for lease obligation as at July 31, 2023:

	$
Less than one year	378,482
One to five years	333,932
Total undiscounted lease obligation	**712,414**

[Expressed in Canadian Dollars]

12. LOANS AND BORROWINGS

Loans and borrowings by the Company consist of the following:

	July 31, 2023	January 31, 2023
	$	$
Loans payable (a)	29,383	114,635
Other payable (b)	23,940	38,006
Loans payable (c)	4,811,880	3,638,570
Convertible debenture (d)	6,209,764	-
	11,074,967	3,791,211
Less: current portion	2,040,265	2,125,517
	9,034,702	1,665,694

(a) Loan payable

On April 27, 2020, the Company received proceeds of $40,000 pursuant to the Government sponsored Canada Emergency Business Account (CEBA) program offered during the COVID-19 pandemic. On January 7, 2021 additional proceeds of $20,000 were received, increasing CEBA loans from the existing $40,000 to $60,000 for which a total of $20,000 will be forgiven if the balance of the loan is repaid on or before December 31, 2022. These loans provide 0% interest with no principal repayments due until December 31, 2022. Loan forgiveness of $20,000 is available provided that the remaining $40,000 balance is repaid in full on or before December 31, 2022. If the balance is not repaid or forgiven on or before December 31, 2022, the remaining balance thereafter will be converted to a 3-year term loan at 5% annual interest, with a maturity date no later than December 31, 2025. The Company has recorded the fair value totaling $35,311 on the initial recognition dates of the loans using an effective interest rate of 12%. The difference of $24,689 between the fair value and the $60,000 proceeds received was recorded grant on recognition on interest-free loan.

The Company acquired two additional CEBA loans through its acquisition of Redeem Medspas for total proceeds of $120,000 with the same terms as above. The fair value at date of acquisition was $63,672 using an effective interest rate of 12%. $60,000 was repaid prior to January 31, 2022.

During the year ended January 31, 2023, the terms of the loan were updated such that the due date for forgiveness was changed to on or before December 31, 2023. Additionally the forgiveness terms were changed such that forgiveness would only be recognized when the full unforgiven amount of $40,000 has been repaid. During the six months ended July 31, 2023 the Company repaid two of the three outstanding CEBA loans.

[Expressed in Canadian Dollars]

12. LOANS AND BORROWINGS (Continued)

(a) Loan payable (continued)

The following is a summary of the loan payable at July 31, 2023 and January 31, 2023:

	July 31, 2023	January 31, 2023
	$	$
CEBA Loans payable at fair value	22,572	69,581
Adjustment for loan term changes	-	25,531
Accumulated accretion expense	6,811	19,523
	29,383	114,635
Less: current portion	-	-
	29,383	114,635

(b) Other payables

Equipment loans are payable over the next three years. These payables are included in loans payable on the consolidated statements of financial position.

		July 31, 2023	January 31, 2023
		$	**$**
Current portion	$	10,882	10,882
Non-current portion		13,058	27,124
		23,940	**38,006**

(c) Loans Payable

On May 6, 2022, the Company signed a new credit facility and agreement for newly licensed Wal-Mart Canada Corp ("Walmart") medical clinics across Canada. The lender under this agreement is Walmart who will provide financing for significant capital expenditures to expansions and upgrades. Advances under the credit facility will accrue interest at 6% per annum based on the number of new locations and are classified as Model A and Model

Each quarter the Company is required to pay a "Cash Sweep", which is defined as 30% of the net profit of that respective location. The Cash Sweep is applied against the principal and accrued interest of the loan. In the event there is a shortfall of the Cash Sweep of four consecutive fiscal quarters, the Company is required to make up the shortfall of up to $10,000 for Model A clinics and $40,000 for Model B clinics.

Repayment of the unpaid principal and accrued interest is due five years from the date of the first advance.

The loans are secured under a general security agreement against the Company and all subsidiaries.

On June 23, 2022 two advances of $400,000 each were made for clinics located in Hillside, British Columbia and

[Expressed in Canadian Dollars]

Edmonton, Alberta. On August 2, 2022 an additional $63,000 and $9,000 were drawn against the Hillside and Edmonton locations respectively.

12. LOANS AND BORROWINGS (Continued)

(c) Loans Payable

On December 13, 2022 an advance of $412,900 was made for a clinic located in Woodstock, Ontario.

On January 27, 2023, advances were of $146,600, $149,400, and $154,300 were made for clinics located in Whitby, Ontario, Hamilton, Ontario, and Peterborough, Ontario respectively.

On February 1, 2023, an advance of $412,500 was made for a clinic located in Drummondville, Quebec.

On May 26, 2023, an advance of $430,980 was made for a clinic located in Marche, Quebec.

On June 14, 2023, an advance of $291,170 was made for a clinic located in Mississauga, Ontario.

	Note	**July 31, 2023** $	January 31, 2023 $
Loans payable at face value		2,869,850	1,735,200
Debt issuance costs		(78,179)	(78,179)
Amortization of debt issuance cost		20,209	11,562
		2,811,880	**1,668,583**
Less: current portion		-	-
		2,811,880	**1,668,583**

On September 27, 2022 the Company entered into a loan agreement with WalMart Canada Inc. (the "Loan Agreement") in order to establish a new revolving credit facility in an amount not to exceed CAD$2,000,000 (the "Loan") in favour of the Company maturing on a date that is the earlier of (i) the date upon which demand is made by Walmart Canada pursuant to the provisions of the Loan Agreement and (i) the date that is nine months from the date of entering into the Loan Agreement, as such date may be extended by Walmart Canada from time to time, in its sole discretion (the "Maturity Date"). Any advances of the Loan accrue interest at a rate of 7% per annum from and including the date of such advance, to but excluding the date of repayment. Notwithstanding the right of Walmart Canada to make demand for repayment at any time, provided such demand is at least ninety (90) days from the closing date, the full amount of all advances outstanding under the Loan Agreement, together with all interest accrued and any other amounts owing, shall be repaid on the Maturity Date. The Loan will be used by the Company for general working capital of the Company and its subsidiaries.

[Expressed in Canadian Dollars]

12. LOANS AND BORROWINGS (Continued)

(c) Loans Payable (continued)

As at July 31, 2023, the loan has been changed to due on demand.

	Note	July 31, 2023 $	January 31, 2023 $
Loans payable at face value		2,000,000	2,000,000
Debt issuance costs		(100,542)	(100,542)
Accumulated accretion expense		100,542	70,546
		2,000,000	**1,970,004**
Less: current portion		-	-
		2,000,000	**1,970,004**

(d) Convertible Debenture

On July 20, 2023, the Company closed an $8,000,000 private placement financing with Wal-Mart Canada Corp. ("Wal-Mart"), involving the issuance by the Company to Wal-Mart of a secured convertible debenture (the "Debenture") in the principal amount of $8,000,000. The proceeds from the Debenture are to be used for the operations of the Company that are operated in collaboration with Wal-Mart, including for the opening of up to 25 new clinics and Quebec infrastructure.

The Debenture bears interest at the rate of 9% per annum, payable in cash quarterly until the earlier of the Maturity Date (as defined below) or the date of full conversion of the Debenture. Subject to earlier conversion, the Debenture will mature on July 20, 2026 (the "Maturity Date"). The principal amount outstanding under the Debenture shall be convertible, at the option of Wal-Mart, into units of the Company at a price of C$0.105 per unit. Such principal will be so convertible by Wal-Mart in whole or part, at any time and from time to time prior to the Maturity Date. Each such unit shall consist of one common share of the Company ("Common Share") and one Common Share purchase warrant of the Company (a "Warrant"), with each Warrant entitling the holder to purchase one Common Share at an exercise price of C$0.105 until the date that is three years following the date of issue of such Warrant. Management of the Company does not believe that the Debenture will be converted early. Conversion of the Debenture will result in a significant change of control.

Wal-Mart has the right, but not the obligation, to nominate one individual for appointment to the board of directors of the Company (the "Board"). Wal-Mart has indicated that it does not currently intend to exercise this right. Upon any conversion of the Debenture, Wal-Mart shall be entitled, but not obligated, to nominate up to three individuals for appointment to the Board for so long as it holds 30% or greater of the outstanding Common Shares. Wal-Mart's Board nomination rights shall decrease to two individuals if it holds greater than 20% but less than 30% of the outstanding Common Shares and one individual if it holds greater than 10% but less than 20% of the outstanding Common Shares.

[Expressed in Canadian Dollars]

The following is a summary of the Debenture as at July 31 and January 31, 2023:

	Note	**July 31, 2023** $	January 31, 2023 $
Loans payable at face value		8,000,000	-
Debt issuance costs		(279,442)	-
Discount on conversion feature		(1,036,382)	-
Deferred tax liability		(474,412)	-
Accumulated accretion expense		-	-
		6,209,764	**-**
Less: current portion		-	-
		6,209,764	**-**

13. SHARE CAPITAL

Authorized - Unlimited number of common shares:

Issued and outstanding	**Number of shares**	**Amount** $
Balance January 31, 2023	**84,329,547**	**19,765,601**
Shares issued for acquisition of Comox Valley clinic (a)	23,204	2,320
Shares issued for acquisition of Bridger clinics (b)	1,100,000	110,000
Balance July 31, 2023	**85,452,751**	**19,877,921**

(a) On February 27, 2023, the Company issued 23,204 common shares at a price of $0.10 pursuant to the third contingent consideration payment for the Comox Valley. (note 5a)
(b) On May 23, 2023 the Company issued 1,100,000 common shares at a price of $0.10 pursuant to the third contingent consideration payment for the Bridger Acquisition. (note 5b)

14. SHARE BASED COMPENSATION

(a) Stock Options

The following table summarizes the Company's stock options activity for the six months ended July 31, 2023, and year ended January 31, 2023:

	July 31, 2023		**January 31, 2023**	
Stock Options	**Number of options** #	**Weighted average exercise price $**	**Number of options** #	**Weighted average exercise price** $
Outstanding - beginning of year	7,375,000	0.59	7,975,000	0.58
Options cancelled	-	-	(600,000)	(0.53)
Outstanding - end of period	**7,375,000**	**0.59**	**7,375,000**	**0.58**
Exercisable - end of period	**6,500,000**	**0.62**	**5,850,000**	**0.66**

[Expressed in Canadian Dollars]

A summary of stock options outstanding as of July 31, 2023, is set out below:

Range of Exercise Prices	Number of options #	Remaining contractual life [years]	Weighted average exercise price $
Options $0.50 or less	5,650,000	3.89	0.44
Options at $0.51- $1.40	1,725,000	4.39	1.11
Outstanding - end of year	**7,375,000**	**4.01**	**0.59**

14. SHARE BASED COMPENSATION (Continued)

(b) RSUs

RSUs may be paid in cash at the discretion of the Company only and are therefore not treated as cash-settled share-based payments recorded as liabilities. The following table summarizes the Company's RSU activity for the six months ended July 31, 2023, and year ended January 31, 2023:

	July 31, 2023		January 31, 2023	
RSUs	Number of RSUs #	Share price on grant date $	Number of RSUs #	Share price on grant date $
Outstanding - beginning of year	8,750,000	-	3,250,000	0.38
RSUs granted	-	-	5,500,000	0.08
Outstanding - end of period	**8,750,000**	-	**8,750,000**	-
Exercisable - end of period	**3,500,000**	-	**2,000,000**	-

(c) DSUs

The following table summarizes the Company's DSU activity for the six months ended July 31, 2023, and year ended January 31, 2023:

	July 31, 2023		January 31, 2023	
DSUs	Number of DSUs #	Share price on grant date $	Number of DSUs #	Share prioce on grant date $
Outstanding - beginning of year	502,506	-	502,506	-
Outstanding - end of period	**502,506**	-	**502,506**	-
Exercisable - end of period	-	-	-	-

[Expressed in Canadian Dollars]

Share compensation expense is comprised of the following for the six months ended July 31, 2023 and 2022:

	Six months ended	
	July 31, 2023	**July 31, 2022**
	$	**$**
Stock options	46,499	228,915
RSUs	308,581	164,615
DSUs	-	-
Acquisition earnout payments	-	180,160
	355,080	573,690

15. LOSS PER SHARE

The table shows the components used in the calculation of basic and diluted loss per share:

	Three months ended		Six months ended	
	July 31, 2023	**July 31, 2022**	**July 31, 2023**	**July 31, 2022**
	$	**$**	**$**	**$**
Loss from operations	(1,512,376)	(1,318,102)	(2,260,486)	(2,576,278)
Net loss	(1,536,885)	(1,392,970)	(2,326,531)	(2,660,037)
Comprehensive loss - basic	(1,582,564)	(1,369,974)	(2,440,695)	(2,665,021)
Weighted average number of common shares outstanding - basic	84,732,528	83,841,833	84,732,528	83,640,028
Effect of dilution from stock options and warrants (a)	-	-	-	-
Weighted average number of common shares outstanding - diluted	**88,053,670**	**83,841,833**	**87,441,078**	**83,640,028**

(a) The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the three and six months ended July 31, 2023, and 2022.

16. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk, currency risk and market risk. The following presents information about the Company's exposure to each of these risks, and the Company's objectives, procedures, and processes for measuring and managing risk.

(a) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligation, resulting in financial loss to the Company. Such risks arise primarily from certain financial assets held by the Company consisting of accounts receivable. The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. As at July 31, 2023, the Company maintained adequate cash balances and credit facilities in order to meet short term business requirements, after taking into account cash flows from operations. Accounts payable and accrued liabilities are subject to normal trade terms.

16. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (continued)

The following tables summarize the contractual maturities of financial liabilities:

July 31, 2023	Less than 1 year	1 to 5 years	Over 5 years	Total
	$	$	$	$
Accounts payable and accrued liabilities	2,741,176	—	—	2,741,176
Tenant deposits	—	152,691	65,439	218,130
Deferred revenues	—	369,597	—	369,597
Loans payable	2,053,323	9,021,644	—	11,074,967
Lease obligation	313,469	298,630	—	612,099
Deferred tax liabilities	—	474,412	—	474,412
Total	**5,107,968**	**10,316,974**	**65,439**	**15,490,381**

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, a currency other than the functional currency in which they are measured. The potential 5% increase or decrease in Mexican Peso would result in and increase or decrease in net loss of approximately $10,033 (2022 - $2,651).

17. RELATED PARTY TRANSACTIONS

During the six months ended July 31, 2023, the Company engaged in transactions in the normal course of operations with the following related parties. All these transactions have been accounted for at the amount agreed to by the transacting parties as follows:

Transactions with key management personnel

The Company recorded salaries and consulting fees during the six months ended July 31, 2023, in the amount of $471,337 (2022 – $607,529) and share-based compensation in the amount of $340,526 (2022 – $380,804) to key management personnel, including the roles of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

Included in accounts payable on July 31, 2023, is $16,667 (January 31, 2023 - $16,667) owing to a member of key management.

[Expressed in Canadian Dollars]

17. RELATED PARTY TRANSACTIONS(Continued)

Transactions with related parties other than key management personnel

The Company recorded fees during the six months ended July 31, 2023 of $73,500 (2022 - $Nil) and share-based compensation in the amount of $Nil (2022 – $14,286) to three directors of the Company.

The Company paid legal fees of $57,000 (2022 - $57,000) included in professional fees to a person related to the CEO.

18. CAPITAL MANAGEMENT

The Company defines capital as all borrowings, lease obligations, equity comprised of issued share capital, warrants and contributed surplus. The Company's objectives when managing its capital are:

[i] to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
[ii] to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
[iii] to safeguard the Company's ability to obtain financing should the need arise; and
[iv] to maintain financial flexibility in order to have access to capital for future acquisitions and growth opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable. There were no changes in the Company's approach to capital management during the six months ended July 31, 2023. The Company is not subject to externally imposed capital requirements.

19. SEGMENT INFORMATION

The Company's results are reported by geographical business units that operate in different countries. The following tables present segment information for the six months ended and as at July 31, 2023 and 2022:

	Canada	Mexico	Total
Six months ended July 31, 2023	$	$	$
Revenues	6,376,532	2,419,066	8,795,598
Net loss	(2,527,185)	200,654	(2,326,531)

As at July 31, 2023	$	$	$
Total assets	11,820,867	752,524	12,573,391
Long term assets	4,292,361	85,304	4,377,665
Property and equipment	2,569,094	85,304	2,654,398

[Expressed in Canadian Dollars]

	Canada	Mexico	China	Total
Six months ended July 31, 2022	$	$	$	$
Revenues	5,886,925	1,637,056	—	7,523,981
Net loss	(2,743,992)	83,955	—	(2,660,037)

As at July 31, 2022	$	$	$	$
Total assets	6,574,466	499,781	8	7,074,255
Long term assets	7,176,117	81,326	—	7,257,443
Property and equipment	1,711,704	81,326	—	1,793,030

During the six months ended July 31, 2023, 24% of total revenues (2022 – 18%) is attributable to one customer.

20. COMMITMENTS AND CONTINGENCIES

Contingent liability

On May 17, 2022, the former CEO of the Company initiated a claim against the Company in the amount of $14.6 million for breach of contract. On November 2, 2022 the Company defended against the claims and initiated a counter claim in the amount of $10 million. Management intends to defend the claim and the outcome of the claim and counter claim is uncertain at this time. As a result, no accrual for potential loss or gain on the outcome of the matter has been made in the consolidated financial statements.

21. SUBSEQUENT EVENTS

Effective September 22, 2023, the Company has appointed Bharat Choudhary as the new Chief Financial Officer of the Company.