

TREATMENT.COM INTERNATIONAL INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC
August 28, 2023

TREATMENT.COM INTERNATIONAL INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2023 AND DECEMBER 31, 2022
(Expressed in Canadian Dollars)

	June 30, 2023	December 31, 2022
	\$	\$
ASSETS		
Current assets		
Cash	474	2,495
Amounts receivable	715	731
Prepaid expenses	3,483	10,448
TOTAL ASSETS	4,672	13,674
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	2,023,059	1,636,000
Convertible debenture (Note 6)	403,776	-
Loan payable (Note 7)	282,238	200,069
Total current liabilities	2,709,073	1,836,069
Non-current liabilities		
Convertible debenture (Note 6)	-	366,208
TOTAL LIABILITIES	2,709,073	2,202,277
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 8)	14,511,249	14,508,513
Reserve (Note 8)	7,350,640	7,208,230
Accumulated other comprehensive loss	(92,437)	(101,044)
Deficit	(24,473,853)	(23,804,302)
TOTAL SHAREHOLDERS' DEFICIENCY	(2,704,401)	(2,188,603)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	4,672	13,674

Note 1: Nature of business and continuing operations

Note 13: Contingencies

Note 14: Subsequent events

Approved and authorized by the Board on August 25, 2023:

"John Fraser"
John Fraser, Director

"Kevin Peterson"
Kevin Peterson, Director

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

TREATMENT.COM INTERNATIONAL INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	\$	\$	\$	\$
Expenses				
Accretion and financing fees (Note 6)	18,941	15,821	37,568	15,821
Consulting and professional fees (Note 12)	158,325	96,787	404,949	462,372
General and administration	36,066	87,253	80,718	402,712
Research	-	128,347	-	526,686
Salaries & benefits (Note 12)	3,532	219,358	3,653	359,116
Stock-based compensation (Note 8)	71,205	133,299	142,410	1,177,928
Loss before other income (expenses)	(288,069)	(680,865)	(669,298)	(2,944,635)
Other income	-	10,172	-	10,172
Foreign exchange loss	(1)	(5,341)	(253)	(11,047)
Gain on settlement of debt	-	-	-	68,072
Loss for the period	(288,070)	(676,034)	(669,551)	(2,877,438)
Foreign exchange translation	8,699	(3,953)	8,607	(7,624)
Comprehensive loss for the period	(279,371)	(679,987)	(660,944)	(2,885,062)
Loss per share – basic and diluted	(0.04)	(0.10)	(0.10)	(0.43)
Weighted average number of outstanding common shares, basic and diluted	6,628,195	6,618,233	6,628,151	6,616,507

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

TREATMENT.COM INTERNATIONAL INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

Six Months Ended June 30,	2023	2022
	\$	\$
Cash flows used in operating activities		
Loss for the period	(669,551)	(2,877,438)
Items not involving cash		
Accretion and financing fees	37,568	15,821
Shares issued to settle debts for services	2,736	21,433
Stock-based compensation	142,410	1,177,928
Changes in non-cash working capital items:		
- Receivable	16	(10,320)
- Prepaid expenses	6,965	19,781
- Accounts payable and accrued liabilities	387,059	408,271
Cash used in operating activities	(92,797)	(1,244,524)
Cash flows from financing activities		
Loan payable	82,169	-
Proceeds from convertible debenture	-	340,551
Cash provided by financing activities	82,169	340,551
Effect of foreign exchange rate on cash	8,607	(7,624)
Net cash outflows	(2,021)	(911,597)
Cash, beginning of period	2,495	916,751
Cash, end of period	474	5,154

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

TREATMENT.COM INTERNATIONAL INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of common shares	Share Capital \$	Subscription receivable \$	Reserve \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance, December 31, 2021	6,614,599	14,480,547	(12,100)	5,753,276	(104,275)	(20,007,552)	109,896
Shares issued to settle debts for services	4,900	21,433	-	-	-	-	21,433
Stock-based compensation	-	-	-	1,177,928	-	-	1,177,928
Convertible debenture	-	-	-	27,721	-	-	27,721
Other comprehensive loss	-	-	-	-	(7,624)	-	(7,624)
Loss for the period	-	-	-	-	-	(2,877,438)	(2,877,438)
Balance, June 30, 2022	6,619,499	14,501,980	(12,100)	6,958,925	(111,899)	(22,884,990)	(1,548,084)
Shares issued to settle debts for services	4,900	6,533	-	-	-	-	6,533
Stock-based compensation	-	-	-	249,305	-	-	249,305
Other comprehensive income	-	-	-	-	10,855	-	10,855
Write-off of subscription receivable	-	-	12,100	-	-	-	12,100
Loss for the period	-	-	-	-	-	(919,312)	(919,312)
Balance, December 31, 2022	6,624,399	14,508,513	-	7,208,230	(101,044)	(23,804,302)	(2,188,603)
Shares issued to settle debts for services	4,900	2,736	-	-	-	-	2,736
Stock-based compensation	-	-	-	142,410	-	-	142,410
Other comprehensive income	-	-	-	-	8,607	-	8,607
Loss for the period	-	-	-	-	-	(669,551)	(669,551)
Balance, June 30, 2023	6,629,299	14,511,249	-	7,350,640	(92,437)	(24,473,853)	(2,704,401)

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

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Treatment.com International Inc. (the "Company" or "Treatment Intl") was incorporated pursuant to the provisions of the Canada Business Corporations Act on February 2, 2018. The Company's registered head office address 800 – 885 West Georgia Street, Vancouver, BC V6C 3H1.

Treatment.com International Inc., through its wholly owned subsidiary Treatment.com Inc. ("Treatment Inc."), is in the business of providing personalized health care information that is relevant and trustworthy empowering patients to make responsible, informed decisions about their health while improving communications, reducing costs and in-clinic wait times for medical practitioners.

The Company has not generated any revenue, and has been relying on equity-based financing to fund its operations. As at June 30, 2023, the Company has yet to generate a positive net income and had an accumulated deficit of \$24,473,853 (December 31, 2022 - \$23,804,302). The Company will require additional financing either through equity or debt financing or a combination thereof to meet its administrative costs and to develop its business. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt. These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's products and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022.

3. CAPITAL RESTRUCTURING

On April 5, 2019, the company completed an exchange of shares agreement (the "Transaction") resulting in the acquisition of 100% of the issued and outstanding capital stock of Treatment.com Inc., a company incorporated in the U.S.A. ("Treatment Inc."), a private company incorporated on April 26, 2016 in the state of Delaware of the USA. As consideration for 100% of the outstanding common shares of Treatment Inc., Treatment Intl. has issued 2,623,769 common shares at total fair value of \$2,298,788. On April 19, 2021, the Company commenced listing of its common shares for trading on the Canadian Securities Exchange ("CSE") under the symbol ("TRUE").

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

3. CAPITAL RESTRUCTURING (Continued)

Based on the relative ownership percentages of the combined company by the shareholders of the former Treatment Inc., Treatment Inc. is considered to have gained control of the combined entity and therefore Treatment Inc. is considered to be the acquirer for accounting purposes (commonly referred to as a "Reverse Takeover"). For financial reporting purposes, the Company is considered to be a continuation of Treatment Inc., the legal subsidiary, except with regard to authorized and issued share capital, which is that of Treatment Intl., the legal parent. Treatment Intl. was not considered to be an acquired business under accounting guidance set out in IFRS 3. Therefore, the Transaction has been accounted for as an asset acquisition and not a business acquisition.

The fair value of the consideration was calculated to be \$2,298,788 which is the fair value of the equity interests of Treatment Inc. that would have been issued to give the owners of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition.

Cash	\$	1,025
Accounts payable and accrued liabilities		(33,890)
Net liabilities assumed		(32,865)
Consideration paid in excess of net assets acquired from acquisition		2,331,653
Purchase price	\$	2,298,788

IFRS requires the Company to fair value the equity instruments issued in the Transaction in order to value the unidentified assets received as part of the Transaction. The difference of \$2,331,653 between the fair value of the equity instruments issued and the net liabilities assumed represents the consideration paid in excess of net assets acquired. This notional cost does not reflect actual cash expenditures during the period.

4. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

As discussed in the above, these unaudited condensed interim financial statements are a continuation of Treatment Inc. The unaudited condensed interim consolidated financial statements include the accounts of Treatment Inc. and the accounts of Treatment Intl., the subsidiary for accounting purpose.

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Functional currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The unaudited condensed interim consolidated financial statements are presented in Canadian dollar, which is the Company's reporting currency. The functional currency of Treatment Inc. is the U.S. dollar.

Transactions and balances

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

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

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

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

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's accumulated other comprehensive income reserve in equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

(b) Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Judgements

Significant judgments in applying the Company's accounting policies in these consolidated financial statements are:

- The determination of asset versus business acquisition - Management has had to apply judgement relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or asset was purchased, considering inputs, processes and outputs of the acquired entity in order to reach a conclusion.
- Determination of function currency - The Company determines the functional currency through its analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.
- Other significant judgments - the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Significant Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

- Recoverability and measurement of deferred tax assets - In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(c) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive 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 the Company has opted to measure them at FVTPL.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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

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

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables. An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, due to shareholder, and convertible debentures are classified under other financial liabilities and carried on the consolidated statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. 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.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Gains and losses on derecognition are generally recognized in profit or loss.

The Company classifies its cash, other receivable, accounts payable, loan payable and debenture as amortized cost financial instruments.

(d) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

6. CONVERTIBLE DEBENTURE

Balance, December 31, 2021	\$	-
Convertible loans issued		340,551
Equity portion		(27,721)
Amortization of financing costs		21,184
Accretion and interests		32,194
Balance, December 31, 2022	\$	366,208
Amortization of financing costs		18,627
Accretion and interests		18,941
Balance, June 30, 2023	\$	403,776

During the year ended December 31, 2022, the Company issued a \$400,000 principal amount of unsecured convertible debentures (the "Debentures"). The debentures were issued at original discount of 15% of the principal amount. The original discount amount is being amortized on straight line basis over the term of the debentures. The debentures bear interest at a rate of 8% per annum, calculated semi-annually and matures 24 months from the date of issuance. The principal of the debentures, plus any interest accrual is convertible at the option of the debentures' holders into one unit of the Company at the conversion price equal to \$0.41 per unit. Each unit consists of one common share and one transferable share purchase warrant, with each warrant being exercise into one common share at a price of \$0.50 for a period of two years from the date of issuance.

On inception, the Company allocated the total proceeds received of \$340,551 between liabilities and equity. The equity component of \$27,721 was valued using the residual method based on a discount rate of 12%.

During the six months ended June 30, 2023, the Company has recorded accretion and interest expense in the amount of \$37,568 (2022 - \$15,821).

7. LOAN PAYABLE

As of June 30, 2023, the Company received a shareholders' loan in the amount of \$282,238 (December 31, 2022 - \$200,069). The loan is non-interest bearing, unsecured and payable on demand.

8. SHARE CAPITAL

Effective July 17, 2023, the Company consolidated its common shares on the basis of one post-consolidation common shares for every 10 pre-consolidation common shares (Note 14). Unless otherwise indicated, all share and per share figures have been retrospectively adjusted in these financial statements to reflect the share consolidation.

a) Authorized

Unlimited number of shares with no par value.

b) Issued and outstanding

2022

On January 10, 2022, the Company issued 817 common shares to settle debts for services.

On February 10, 2022, the Company issued 817 common shares to settle debts for services.

On March 10, 2022, the Company issued 817 common shares to settle debts for services.

On April 10, 2022, the Company issued 817 common shares to settle debts for services.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

b) Issued and outstanding (continued)

On May 10, 2022, the Company issued 816 common shares to settle debts for services.

On June 10, 2022, the Company issued 816 common shares to settle debts for services.

On July 11, 2022, the Company issued 817 common shares to settle debts for services.

On August 10, 2022, the Company issued 817 common shares to settle debts for services.

On September 12, 2022, the Company issued 816 common shares to settle debts for services.

On October 11, 2022, the Company issued 817 common shares to settle debts for services.

On November 10, 2022, the Company issued 817 common shares to settle debts for services.

On December 12, 2022, the Company issued 816 common shares to settle debts for services.

2023

On January 10, 2023, the Company issued 817 common shares to settle debts for services.

On February 10, 2023, the Company issued 817 common shares to settle debts for services.

On March 10, 2023, the Company issued 817 common shares to settle debts for services.

On April 10, 2023, the Company issued 817 common shares to settle debts for services.

On May 10, 2023, the Company issued 816 common shares to settle debts for services.

On June 12, 2023, the Company issued 816 common shares to settle debts for services.

Stock Options

The Company adopted the 10% stock option plan (the "Option Plan") on March 11, 2020. The Option Plan provides for the grant of stock options. Stock issued pursuant to awards granted under the 2020 Plan will consist of authorized but unissued common shares. Incentive stock options may be granted to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved 10% of the Company's issued and outstanding common shares. The exercise price shall not be less than the market value of the common shares.

	Six months ended June 30, 2023		Year ended December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	351,500	\$7.00	569,000	\$17.20
Cancelled	-	-	(217,500)	\$33.70
Ending	351,500	\$7.00	351,500	\$7.00
Exercisable	266,500	\$4.98	264,000	\$4.80

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants

The changes in warrants during the six months ended June 30, 2023 and the year ended December 31, 2022 were as follows:

	Six months ended June 30, 2023		Year ended December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	-	-	3,688	\$50.00
Expired	-	-	(3,688)	\$50.00
Ending	-	-	-	-

Restricted Share Units:

The details of this restricted share units issued are as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
	Number of RSU	Number of RSU
RSU outstanding, beginning	230,250	255,250
Cancelled	-	(25,000)
RSU outstanding, ending	230,250	230,250
Vested at June 30, 2023	230,250	230,250

The Company recorded expense of \$1,655,152 related to the restricted share units vested during the year ended December 31, 2022.

9. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to managing capital for the six months June 30, 2023.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial instruments included in the consolidated statement of financial position are as follows:

		June 30, 2023	December 31, 2022
		\$	\$
Cash	Amortized cost	474	2,495
Amounts receivable	Amortized cost	715	731
Trade payables	Amortized cost	2,023,059	1,636,000
Loan and debentures	Amortized cost	686,014	566,277

Fair value

The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value described 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 assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consisted of cash, receivables, trade payables and loan and debentures. The carrying value of cash, receivables, trade payables approximates their fair value due to the short period of time to maturity. The loan and debentures are booked at amortized costs.

Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2023, the Company's working capital was a deficit of \$2,704,401. As a result, the Company is currently subject to liquidity risk. Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

As at June 30, 2023 and December 31, 2022, the Company did not have any significant exposure to the risk of changes in market interest rates as the Company did not have any financial instruments that are exposed to variable interest rates.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The potential concentration of credit risk consists mainly of cash and other receivables. The Company limits its counterparty exposures from its cash by only dealing with well-established financial institutions of a high quality credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

At the reporting date the majority of the Company's cash resources were deposited with reputable established financial institutions. As a result, management believes the Company is not exposed to significant credit risk due to the credit worthiness of these counterparties.

Foreign currency risk

Foreign currency risk arises from holdings of financial assets and liabilities in currencies other than the function currency to which they relate. The Company and its subsidiaries have minimal such holdings, consequently foreign currency risk is considered low.

11. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the supply of personalized health care information that is relevant and trustworthy to patients. The Company has its head office in Canada and operates mainly in the U.S.A. The Company does not have non-current assets to report on.

12. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel:

Key management personnel include those persons having 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 Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Six Months Ended June 30,	2023	2022
	\$	\$
<u>Salaries, Wages and Consulting fees</u>		
Chief Executive Officer & former Chief Strategy Officer	40,431	76,290
Director & Former Chief Executive Officer	-	63,575
Chief Medical Officer & Director	-	63,575
Chief Financial Officer	37,800	37,800

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities included the following balances owing to related parties.

TREATMENT.COM INTERNATIONAL INC.
NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022
(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (continued)

Due to Related parties	Nature	June 30, 2023	December 31, 2022
		\$	\$
Chief Executive Officer & former Chief Strategy Officer	Consulting fees	133,360	95,790
Chief Medical Officer & Director	Consulting fees	26,480	27,088
Chief Financial Officer	Accounting fee	107,100	69,300

The Company also has an unsecured, non-interest bearing loan payable to its Chief Medical Officer & Director with no fixed terms of repayment in the amount of \$74,738 as at June 30, 2023.

13. CONTINGENCIES

From time to time, the Company may be involved in claims and litigations as part of its normal course of business. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, based on the information currently available, the Company does not believe that any additional provisions are required to be recognized.

14. SUBSEQUENT EVENTS

On July 10, 2023, the Company issued 817 common shares to settle debts for services.

On July 17, 2023, the Company consolidated of all of its common shares on the basis of one post-consolidation common shares for every 10 pre-consolidation common shares. The consolidation resulted in the number of issued and outstanding common shares being reduced from 66,301,158 pre-consolidation common shares to 6,630,115 post-consolidation common shares (Note 8).