Proton Capital Corp.
(A Capital Pool Company)
Financial Statements

For the year ended December 31, 2023 and
December 31, 2022
(expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Proton Capital Corp.:

Opinion

We have audited the financial statements of Proton Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and December 31, 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

Calgary, Alberta

MNP LLP

April 18, 2024

Chartered Professional Accountants

(Expressed in Canadian Dollars)

		December 31, 2023		December 31, 2022
Assets				
Current				
Cash and cash equivalents *(Note 5)*	$	2,241,761	$	2,733,379
Deferred financing costs		78,750		-
Total assets	$	2,320,511	$	2,733,379
Liabilities				
Current				
Accounts payable and accruals	$	46,185	$	16,465
Shareholders' Equity				
Share capital *(Note 6)*	$	2,798,865	$	2,743,185
Contributed surplus		488,792		516,632
Accumulated Deficit		(1,013,331)		(542,903)
Total shareholders' equity	$	2,274,326	$	2,716,914
Total liabilities and shareholders' equity	$	2,320,511	$	2,733,379

Subsequent event (Note 11)

Approved on behalf of the Board of Directors

Signed "Kim Carroll"
Director

Signed "Alan Simpson"
Director

The accompanying notes are an integral part of these financial statements

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		For the year ended December 31, 2023		For the year ended December 31, 2022
Revenue				
Interest income	$	107,532	$	46,092
Total revenue		107,532		46,092
Expenses				
Professional fees	$	577,336	$	176,452
Share-based compensation *(Note 6)*		-		386,280
General and administrative		624		445
Total expenses		577,960		563,177
Loss and comprehensive Loss	$	470,428	$	517,085
Loss per share				
Basic and diluted loss per share	$	(0.01)	$	(0.02)
Weighted average number of shares *(Note 6)*		40,228,348		32,547,945

The accompanying notes are an integral part of these financial statements

Proton Capital Corp.
Statements of Changes in Shareholders' Equity
For the year ended December 31, 2023 and December 31, 2022
(Expressed in Canadian Dollars)

	Share Capital ($)	Contributed Surplus ($)	Accumulated Deficit ($)	Shareholders' Equity ($)
Balance at December 31, 2021	1,000,000	-	(25,818)	974,182
Issuance of common shares *(Note 6)*	2,000,000	-	-	2,000,000
Share issuance costs – IPO *(Note 6)*	(126,463)	-	-	(126,463)
Issuance of agents warrants *(Note 6)*	(130,352)	130,352	-	-
Share-based compensation (Note 6)	-	386,280	-	386,280
Net loss and comprehensive loss	-	-	(517,085)	(517,085)
Balance at December 31, 2022	2,743,185	516,632	(542,903)	2,716,914
Balance at December 31, 2022	2,743,185	516,632	(542,903)	2,716,914
Issuance of agents warrants *(Note 6)*	55,680	(27,840)	-	27,840
Net loss and comprehensive loss	-	-	(470,428)	(470,428)
Balance at December 31, 2023	**2,798,865**	**488,792**	**(1,013,331)**	**2,274,326**

Proton Capital Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from operating activities:			
Operating activities			
Net loss		$ (470,428)	$ (517,085)
Adjustment for:			
Share-based compensation	6	-	386,280
Changes in non-cash working capital items:			
Accounts payable and accruals		29,720	(9,878)
Deferred financing costs		(78,750)	20,500
Cash flows used in operating activities		(519,458)	(120,183)
Financing activities:			
Proceeds from share issuance	6	27,840	2,000,000
Share issuance costs	6	-	(126,463)
Cash flows provided by financing activities		27,840	1,873,537
Increase in cash		(491,618)	1,753,354
Cash and cash equivalents, beginning of year		2,733,379	980,025
Cash and cash equivalents, end of year		$ 2,241,761	$ 2,733,379

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

Proton Capital Corp. (the "Company" or "Proton") was incorporated on September 1, 2021 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office and registered office of the Company is located at Suite 1000 Livingston Place West, 250 2nd Street SW, Calgary, AB T2P 0C1.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

Pursuant to a final prospectus dated March 31, 2022, the Company completed an initial public offering ("IPO") of the Company's common shares ("Common Shares"). The IPO closed on May 16, 2022 with 20,000,000 Common Shares being issued at a price of $0.10 per Common Share. The Company's Common Shares commenced trading on the Exchange on May 18, 2022 under the symbol PTN.

On April 20, 2023, Proton announced the signing of a Letter of Intent ("LOI") with PharmaChoice Canada Inc., a company incorporated in Canada, that operates in the pharmacy industry. The LOI contemplates terms and conditions subject to: (i) the negotiation and finalization of definitive agreements between the parties and (ii) the acquisition and operation by Proton of an independently owned PharmaChoice brand pharmacy or pharmacies pursuant to the terms of the Definitive Agreements, both of which together will constitute the qualifying transaction of Proton pursuant to the policies of the TSX Venture Exchange. On August 31, 2023, definitive agreements in relation to the strategic alliance agreement with PharmaChoice Canada Inc. were executed. In addition, the Strategic Alliance Agreement includes, but is not limited to, the following schedules which have been executed but are being held in escrow until the completion of the Qualifying Transaction: a license agreement, a right-of-first-refusal agreement and a master membership agreement.

On October 10, 2023, Proton engaged iA Private Wealth Inc. for a brokered public offering of up to 100,000,000 common shares in the capital of the Corporation at a price of $0.40 per Common Share, for gross proceeds of up to $40,000,000. The Offering is being conducted in connection with the Company's proposed "Qualifying Transaction" within the meaning of TSXV Policy 2.4 – Capital Pool Companies as previously announced.

2. Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning January 1, 2023.

These financial statements were authorized for issue in accordance with a resolution of the directors on April 18, 2024.

2. Basis of preparation (continued)

Basis of measurement

These financial statements were prepared on a going concern basis, under the historical cost convention.

Functional and presentation currency

These financial statements are stated in Canadian dollars which is the Company's functional currency.

3. Material accounting policies

Cash and cash equivalent

Cash consists of the proceeds generated from share issuances which is included in bank balances that are readily convertible into cash.

Deferred financing costs

Financing costs related to proposed financings are recorded as deferred financing costs. These costs are deferred until the financing is completed at which time the costs are charged against the proceeds received. If the financing does not close, the costs are charged to operations.

Share-based payments

The Company applies a fair value-based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. Material accounting policies (continued)

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial Instruments

Classification and measurement of financial instruments

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Company does not employ hedge accounting for its risk management contracts currently in place.

Amortized cost

The Company classifies its cash and cash equivalent and accounts payable and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

3. Material accounting policies (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards requires estimate as to the appropriate valuation model and the inputs for the model require assumptions including the rate of forfeiture of options granted, the expected life of the option, the Company's share price and its expected volatility, the risk-free interest rate and expected dividends.

Judgments

The key area of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Taxes

The Company recognizes deferred tax assets to the extent that is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impact the amount of the deferred tax assets management judges is probable.

5. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used to cover prescribed costs of issuing common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

(Expressed in Canadian Dollars)

6. Share capital

Authorized:
Unlimited number of common shares and preferred shares which are issuable in series.

Issued:
Common Shares

	Number of Shares	$
Balance, December 31, 2022	40,000,000	2,743,185
Warrants exercised at $0.10 per share (ii)	278,400	27,840
Share issue cost	-	27,840
Balance, December 31, 2023	**40,278,400**	**2,798,865**

Issued:
Common Shares

	Number of Shares	$
Balance, December 31, 2021 (i)	20,000,000	1,000,000
Issued for cash at $0.10 per share	20,000,000	2,000,000
Share issue cost	-	(256,815)
Balance, December 31, 2022	40,000,000	2,743,185

(i) All common shares issued will be held in escrow until completion of a Qualifying Transaction. 25% of these common shares will be released on the issuance of the Final Exchange Bulletin and an additional 25% will be released on each 6-month anniversary from the initial release.
(ii) 100,000 warrants were exercised on each of February 3 and 21, 2023 at $0.10 each for total proceeds of $20,000. 40,000 warrants were exercised on April 25, 2023 and 38,400 were exercised on May 12, 2023 at $0.10 each for total proceeds of $7,840.

Stock options

The Company has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Company and Eligible Charitable Organizations, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as at the date of grant of any such option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares of the Company as at the date of grant of such option. The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed 2% of the issued and outstanding Common Shares of the Company as at the date of grant of such option.

(Expressed in Canadian Dollars)

6. **Share Capital** *(continued)*

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise price
Balance, December 31, 2022	4,000,000	$0.10
Granted	-	-
Balance, December 31, 2023	**4,000,000**	**$0.10**

The fair value of the options granted to the officers and directors of $- (2022 - $386,280) is included in share based compensation expense on the statement of loss and comprehensive loss.

	Number of Options	Weighted Average Exercise price
Balance, December 31, 2021	-	-
Granted	4,000,000	$0.10
Balance, December 31, 2022	4,000,000	$0.10

A summary of the Company's warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise price	Weighted Average Years to Expiry
Balance, December 31, 2022	2,000,000	$0.10	1.38
Granted	-	-	
Exercised	(278,400)	$0.10	
Balance, December 31, 2023	**1,721,600**	**$0.10**	**0.38**

	Number of Warrants	Weighted Average Exercise price	Weighted Average Years to Expiry
Balance, December 31, 2021	-	-	-
Granted	2,000,000	$0.10	2.00
Balance, December 31, 2022	2,000,000	$0.10	1.38

6. Share Capital *(continued)*

As at December 31, 2023, 1,721,600 (December 31, 2022 – 2,000,000) warrants were outstanding. On February 3, 2023, 100,000 warrants were exercised at a price of $0.10 each for proceeds of $10,000. On February 21, 2023, 100,000 warrants were exercised at a price of $10,000. On April 25, 2023, 40,000 warrants were exercised for proceeds of $4,000 and on May 12, 2023, 38,400 warrants were exercised for proceeds of $3,840.

As at December 31, 2023, there are 20,000,000 shares and 4,000,000 share options held in escrow.

Loss per share
Basic per share amounts are calculated using the weighted average number of shares outstanding of 40,228,348 during the year ended December 31, 2023 (2022 – 32,547,945).

7. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and cash equivalents and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and cash equivalents and account payable and accruals approximates their fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash and cash equivalents is held in an account with a major Canadian financial institution.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable are due within 12 months. As at December 31, 2023, the Company had a cash and cash equivalents balance of $2,241,761 (December 31, 2022 - $2,733,379) to settle liabilities of $46,185 (December 31, 2022 - $16,465).

(Expressed in Canadian Dollars)

7. Financial Instruments *(continued)*

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company has no market risks.

(i) Currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(ii) Interest rate risk
A portion of the Company's cash and cash equivalents balance is interest bearing. A 1% change in the interest rate would not have a significant impact on net loss. The Company does not have any interest bearing liabilities; therefore, there is no interest risk exposure.

(iii) Commodity risk
The Company is not exposed to commodity risk.

8. Taxes

The tax recovery differs from the amount that would be computed by applying the expected tax rates to the loss before taxes. The reasons for the difference are as follows:

	2023	2022
Loss before taxes	(470,428)	(517,085)
Statutory tax rate	25%	25%
Expected tax recovery	(117,607)	(129,271)
Increase (decrease) resulting from:		
Share-based payments	-	96,570
Impact of deferred financing costs	(14,563)	(31,616)
Tax asset not recognized	132,170	64,317
Tax recovery	-	-

The Company has estimated its gross deductible temporary differences related to non-capital loss carryforwards to be approximately $698,000 and deferred financing costs to be $134,000. The non-capital loss carryforwards will expire in 2041 if not utilized, subject to provisions of the Income Tax Act of Canada that may limit the Company's ability to utilize these losses.

9. Related party transactions

Key management personnel consist of officers and directors of the Company. No compensation was paid to key management personnel during the current period apart from the options issued to directors.

There were no related party transactions in this period.

10. Capital disclosures

The Company's capital consists of shareholders' equity. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1. There have been no changes to how the Company manages its capital in 2023.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,

ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at December 31, 2023.

11. Subsequent events

On February 21, 2024, the Company entered into a share purchase agreement dated February 14, 2024, with the shareholders of a PharmaChoice Canada branded pharmacy located and operating in Saskatoon, Saskatchewan, to purchase 75% of the outstanding shares of the pharmacy to form the Resulting Issuer. Upon completion of the Qualifying Transaction, it is the intention of the parties that the Resulting Issuer will continue the business of the pharmacy. Proton intends that the acquisition, together with the previously announced strategic alliance agreement with PharmaChoice Canada Inc., will constitute its Qualifying transaction, as defined in Policy 2.4 – Capital Pool Companies of the policies of the TSX Venture Exchange.

On March 22, 2024, the Company obtained a receipt for the preliminary long form prospectus filed with the securities regulatory authorities in each of the provinces of Canada other than Quebec. The prospectus contains important information regarding the proposed Qualifying Transaction with the PharmaChoice Canada branded pharmacy.

On April 10, 2024, 119,812 agent warrants were exercised at a price of $0.10 each, for proceeds of $11,981.