DIAGNOS Inc.

Consolidated Financial Statements

For the years ended March 31, 2025 and March 31, 2024

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Diagnos Inc.

Opinion

We have audited the consolidated financial statements of Diagnos Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (hereafter "IFRS Accounting Standards").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the "Material uncertainty related to going concern" section, we have determined that there are no key audit matters to communicate in our report.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis report 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
May 28, 2025

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[1] CPA auditor, public accountancy permit no. A127023

DIAGNOS Inc.

Consolidated Statements of Financial Position

(amounts in Canadian dollars)

		As at	
		March 31, 2025	March 31, 2024
	Note	$	
ASSETS			
Current			
Cash		88,722	219,015
Short-term investments	5	3,146,656	-
Accounts receivable	6	170,444	166,576
Prepaid expenses		60,092	21,285
		3,465,914	406,876
Non-current			
Capital assets	7	170,190	256,911
Total assets		**3,636,104**	**663,787**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	331,321	521,671
Deferred revenue		-	8,393
Loans	9	146,413	145,007
Leases	10	94,206	115,933
Convertible debentures	11	2,545,017	830,925
		3,116,957	1,621,929
Non-current			
Loans	9	201,958	223,371
Leases	10	84,079	147,984
Convertible debentures	11	-	1,722,351
		286,037	2,093,706
Total liabilities		**3,402,994**	**3,715,635**
SHAREHOLDERS’ EQUITY (DEFICIENCY)			
Share capital	12	44,964,173	37,700,406
Reserve	13	10,129,647	9,822,278
Deficit		(54,933,391)	(50,646,942)
Foreign exchange differences		72,681	72,410
		233,110	**(3,051,848)**
Total liabilities and shareholders’ equity (deficiency)		**3,636,104**	**663,787**

The accompanying notes are an integral part of these Consolidated Financial Statements.

(signed) André Larente
Director

DIAGNOS Inc.

Consolidated Statements of Loss and Comprehensive Loss

(amounts in Canadian dollars)

	Note	Year ended March 31, 2025	2024
		$	$
Revenue	14	**103,797**	**170,158**
Expenses			
Costs of services and research and development		1,047,358	1,008,098
Selling and administrative		2,880,565	1,769,369
	15	3,927,923	2,777,467
Loss before other income and interest expense		**(3,824,126)**	**(2,607,309)**
Other income	16	131,627	36,899
Interest expense	17	(593,950)	(550,172)
Net loss		**(4,286,449)**	**(3,120,582)**
Other comprehensive income items			
Item that will be subsequently transferred to profit or loss			
Net change in foreign exchange translation		271	(3,170)
Net loss and comprehensive loss		**(4,286,178)**	**(3,123,752)**
Basic and diluted net loss per share		**(0.05)**	**(0.04)**
Weighted-average number of common shares outstanding		88,278,561	72,821,828

The accompanying notes are an integral part of these Consolidated Financial Statements.

DIAGNOS Inc.

Consolidated Statements of Changes in Equity

(amounts in Canadian dollars)

Year ended March 31, 2025

	Share capital	Reserve	Deficit	Foreign exchange differences	Total shareholders' (deficiency) equity
			$		
Balance, beginning of year	**37,700,406**	**9,822,278**	**(50,646,942)**	**72,410**	**(3,051,848)**
Net loss	-	-	(4,286,449)	-	(4,286,449)
Other comprehensive loss items	-	-	-	271	271
Issuance of common shares	7,455,708	(5,313)	-	-	7,450,395
Issuance of warrants	-	24,500	-	-	24,500
Issue expenses	(191,941)	-	-	-	(191,941)
Stock-based compensation expense	-	288,182	-	-	288,182
Balance, end of year	**44,964,173**	**10,129,647**	**(54,933,391)**	**72,681**	**233,110**

Year ended March 31, 2024

	Share capital	Reserve	Deficit	Foreign exchange differences	Total shareholders' (deficiency) equity
			$		
Balance, beginning of year	**35,914,525**	**9,588,048**	**(47,526,360)**	**75,580**	**(1,948,207)**
Net loss	-	-	(3,120,582)	-	(3,120,582)
Other comprehensive loss items	-	-	-	(3,170)	(3,170)
Issuance of common shares	1,833,457	(91,462)	-	-	1,741,995
Issuance of warrants	-	54,463	-	-	54,463
Conversion options	-	96,087	-	-	96,087
Issue expenses	(47,576)	(3,098)	-	-	(50,674)
Stock-based compensation expense	-	178,240	-	-	178,240
Balance, end of year	**37,700,406**	**9,822,278**	**(50,646,942)**	**72,410**	**(3,051,848)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

DIAGNOS Inc.

Consolidated Statements of Cash Flows

(amounts in Canadian dollars)

	Note	Year ended March 31, 2025	2024
		$	$
Cash flows from operating activities			
Net loss		(4,286,449)	(3,120,582)
Items not affecting cash			
Depreciation of capital assets		128,428	124,209
Accretion on leases		21,174	28,360
Accretion on convertible debentures		268,108	219,361
Accretion on governmental loan		18,750	23,433
Governmental grant amortization		(13,033)	(16,602)
Stock-based compensation expense		288,182	178,240
Gain on amendment to convertible debentures		(56,367)	-
		(3,631,207)	(2,563,581)
Interest		235,173	262,509
Net change in operating working capital items	19	(241,418)	153,640
		(3,637,452)	**(2,147,432)**
Cash flows from investing activities			
Proceeds from disposal of short-term investments		1,900,000	800,000
Acquisition of short term investments		(5,000,000)	(800,000)
Interest on investments		3,572	-
Additions to capital assets		(13,723)	(10,854)
Other		271	(3,170)
		(3,109,880)	**(14,024)**
Cash flows from financing activities			
Issuance of convertible debentures and stock warrants, net of issue expenses		-	843,775
Issuance of common shares and stock warrants net of issue expenses		7,282,954	1,635,649
Repayment of loans		(25,724)	(10,719)
Lease payments		(134,790)	(122,364)
Repayment of convertible debentures		(220,000)	-
Payment of interest		(285,401)	(262,509)
		6,617,039	**2,083,832**
Net change in cash		**(130,293)**	**(77,624)**
Cash, beginning of year		219,015	296,639
Cash, end of year		**88,722**	**219,015**

The accompanying notes are an integral part of these Consolidated Financial Statements.

(amounts in Canadian dollars)

1. Going concern assumption

These Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. However, there exist material uncertainties which cast significant doubt about the ability of the Corporation to continue as a going concern. The Corporation has not realized an annual profit since its inception. For the year ended March 31, 2025, the Corporation is reporting a net loss of $4,286,449 ($3,120,582 for the year ended March 31, 2024) and a cumulative deficit of $54,933,391 as at the same date ($50,646,942 as at March 31, 2024). In order to address these uncertainties, the Corporation is evaluating the implementation of some or all of the following measures:

- Additional financing
- Debt renegotiation
- Mergers & Acquisitions opportunities

The Corporation believes that if it were to be successful in implementing some or all of the above risk mitigating measures, it will be able to continue as a going concern. There remains significant risk and uncertainty associated with implementing any of these measures which are dependent on a number of factors of which some may be outside of the Corporation's control.

As at March 31, 2025, the Corporation is current in its payroll taxes and is not in default with regards to its debt.

2. Statutes of incorporation and nature of activities

DIAGNOS Inc. ("the Corporation") is incorporated under the Canada Business Corporations Act and the subsidiaries under the applicable regulations in their respective countries. The main office is located at 7005 Taschereau Blvd., Suite 265, Brossard, Quebec, Canada. The shares of the Corporation are listed on the TSX Venture Exchange.

The Corporation provides software-based services to assist health specialists in the detection of diabetic retinopathy and other eye-related pathologies.

These Consolidated Financial Statements have been approved and authorized for filing by the Board of Directors of the Corporation on May 28, 2025.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies

Basis of consolidation

These Consolidated Financial Statements include the accounts of the Corporation and those of its subsidiaries. Subsidiaries consist of entities over which the Corporation has right, or is exposed, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries' financial statements are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries' year end and accounting policies are aligned with those adopted by the Corporation.

Percentage of interest in the Corporation's subsidiaries is as follows:

Name of entity	Location of entity	Percentage of ownership
Diagnos Internacional SA de CV	Mexico	99.8%
Diagnos Healthcare (India) Private Limited	India	99.74%

Inter-company transactions and balances and any unrealized revenue and expense are eliminated in preparing the Consolidated Financial Statements.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

Summary of material accounting policies

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") accounting standards as issued by the International Accounting Standards Board. These policies have been applied throughout the year unless otherwise stated. The following is a list of the material accounting policies.

a) General

The consolidated financial statements have been prepared and measured at historical cost, except for certain financial instruments that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired and liabilities assumed. The reporting currency, as well as the functional currency, is the Canadian dollar.

b) Revenue recognition

The Corporation operates in one reportable segment; healthcare services.

Revenue from healthcare services typically arises from CARA (Computer Assisted Retina Analysis), a web-based software tool used by healthcare professionals principally for the detection of diabetic retinopathy. CARA services usually include sales support for the duration of the contract. In some cases, revenue may also arise from added services such as providing workforce to a client for the customization and the deployment of CARA. The Corporation accounts for the different services separately if they are distinct and the selling prices can be reasonably estimated.

The Corporation also renders various consulting services in the fields of data analysis and artificial intelligence.

Revenue from healthcare services and consulting services are recognized when service is rendered to a customer, over the period in which the services are rendered. Revenue is measured based on the consideration specified in a contract with a customer and excludes sales tax amounts and other amounts collected on behalf of third parties. Billing of services is usually done on a monthly basis. In some occasions, contract assets representing unbilled services rendered are presented under "Accounts receivable" in the consolidated statements of financial position. Contract liabilities representing amounts invoiced before the recognition of services or goods are presented under "Deferred revenue" in the consolidated statements of financial position.

Government assistance and grants

A government assistance and grants are recognized when there is reasonable assurance that (i) the Corporation has complied with all applicable conditions and (ii) the money will be received.

A grant related to assets is presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. A grant related to expenses is presented as other income in the consolidated statement of loss and comprehensive loss.

Government assistance resulting from the Canada Emergency Wage Subsidy program may be examined by the tax authorities. Retroactive application clarifications were introduced after the program was announced and some rules may be interpreted differently by the tax authorities, which may result in differences between amounts granted and amounts recorded in these financial statements.

c) Interest

Interest is accounted for using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

d) Investment tax credits

The Corporation records investment tax credits when it believes it has complied with the eligibility requirements as set out in the income tax legislation of Canada and its provinces and collection is reasonably assured. Refundable investment tax credits are presented in reduction of research and development expenses in the consolidated statements of loss and comprehensive loss. Investment tax credits related to capital expenditures are recorded as reductions of capital assets.

e) Capital assets and depreciation

Capital assets are stated at historical cost less accumulated depreciation, impairment losses and related tax credits. Historical cost includes all costs directly attributable to the acquisition. Computer equipment cost includes software that is integral to its functionality.

Useful lives, residual values and depreciation methods are reviewed at each year-end. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Depreciation of capital assets is provided on parts that have homogenous lives by using the straight-line method over the estimated useful lives, as follows:

	Annual rates
Office furniture and equipment	20%
Computer and medical equipment's	50%
Right-of-use assets	Lease term

f) Income taxes

The Corporation uses the liability method of accounting for income tax. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities using enacted or substantially enacted income tax rates expected to be in effect for the period in which the differences are expected to reverse. To the extent that it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized, the deferred tax asset is not recognized.

g) Stock-based compensation

Stock-based compensation is recorded as an expense in the consolidated statements of loss and comprehensive loss, using the fair value obtained by applying the Black - Scholes option pricing model, with a corresponding credit to reserve. The compensation expense is amortized according to the graded vesting method over the vesting period. Upon exercise of stock options, the accumulated compensation is reduced from reserve and added to share capital.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

h) Equity

Share capital is recorded at the subscribed value of the shares issued less issuance costs. Proceeds from unit placements are allocated between share and warrants according to the residual value method, where the difference between the fair value and issue price of the share when warrants are issued is allocated to the warrants.

Reserve is composed of stock-based compensation, issuance of conversion options and issuance of stock warrants less accumulated stock-based compensation on exercise of stock options.

Foreign exchange differences comprise foreign currency translation differences arising from the translation of financial statements of the Corporation's foreign entities into Canadian dollars.

Deficit includes the losses from the current year and prior years.

Costs related to the issuance of common shares, stock warrants or stock options are recorded in equity net of tax.

i) Financial instruments

The following table below presents the measurement categories for each class of the Corporation's financial assets and financial liabilities.

Description	Category
Cash, short-term investments	Financial assets at amortized cost
Accounts receivable, except tax credits and sales taxes	Financial assets at amortized cost
Accounts payable and accrued liabilities (except salaries and benefits and sales taxes), loans and convertible debentures	Financial liabilities at amortized cost

The Corporation aggregates its financial instruments into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally on the date of the transaction. Transaction costs related to financial instruments are measured initially at fair value and are added to the carrying value of the asset or netted against the carrying value of the liability.

The following is a description of the policies for subsequent measurement of financial assets and financial liabilities.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities at amortized cost

These liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

Component parts of compound instruments

The component parts of compound instruments, such as convertible debentures, issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Corporation's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

The values of component parts classified as equity are determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Impairment of financial assets

The Corporation uses the expected credit losses impairment model with respect to its financial assets carried at amortized Cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. The Corporation accounts for expected credit losses over the life of financial assets measured at amortized cost. Expected credit losses over the life of the asset are expected credit losses for all of the default events that a financial instrument may experience over its expected life. The assessment of expected credit losses reflects reasonable and justifiable information about past events, current circumstances and forecasts of events and economic conditions and takes into account the factors specific to the accounts receivable, the general condition of the economy and a current as well as expected appreciation of the conditions prevailing at the financial position date, including the time value of the money, if any.

j) Leases

For any new contracts entered into, the Corporation considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Corporation assesses whether the contract meets three key evaluations which are whether:

a. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation,

b. the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and

c. the Corporation has the right to direct the use of the identified asset throughout the period of use.

3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

Measurement and recognition of leases

At lease commencement date, the Corporation recognises a right-of-use asset and a lease liability on the financial position statement. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Corporation, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Corporation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Corporation also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Corporation's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Corporation has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

k) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation

At as the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the International Accounting Standards Board. None of these standards or amendments to existing standards have been adopted early by the Corporation. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year and not disclosed hereafter are not expected to have a material impact on the Corporation's financial statements.

On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements'. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. Key changes in IFRS 18 include the introduction of a defined structure for the profit and loss statement including new defined categories (operating, investing, financing, income taxes and discontinued operations), required sub-totals (including 'operating income or loss', 'profit or loss' and 'profit or loss before financing and income taxes'). Other changes resulting from IFRS 18 include the requirement to disclose management defined performance measures, expenses by nature (if companies disclose their profit and loss statement by function), and enhanced guidance on the principles of aggregation and disaggregation of line items between the primary financial statements and the notes thereto. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027, including for interim financial statements. Retrospective application is required, and so comparative information needs to be prepared under IFRS 18. The Corporation has not yet assessed the impact of this new standard on its financial reporting.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Corporation’s significant accounting policies, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The following are the critical accounting judgments and the key estimates concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Going concern

The Corporation's ability to continue as a going concern is dependent on securing additional and immediate financing and on achieving and maintaining profitable operations. Management has to assess the outcome of these matters when preparing the Corporation’s consolidated financial statements.

b) Tax credits on research and development expenses

The Corporation’s receivables include refundable tax credits on research and development (R&D) expenses. Management has to make a critical judgment related to the eligibility of R&D expenses with regards to the provisions of the current tax credits programs.

c) Stock-based compensation

Stock-based compensation involves the valuation of grants of stock options. The Corporation relies on the fair value obtained by applying the Black - Scholes option pricing model. This model requires making assumptions related to the risk-free interest rate (with a term that matches the expected life of the options), the expected stock price volatility, the expected life of the options and the expected dividend yield on the Corporation’s shares. Management also has to estimate the number of options that will eventually vest. Management relies on past experience to make these estimates.

d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

e) Fair value of financial instruments

Financial instruments are initially recorded at fair value. In the absence of active markets in the evaluation of financial assets and financial liabilities, the Corporation relies on evaluation techniques based on inputs that are not based on observable market data which could cause the actual results to differ from the estimates.

f) Leases

Recognising leases requires judgment and use of estimates and assumptions. Judgment is used to determine whether there is reasonable certainty that a lease extension or cancellation option will be exercised. Furthermore, management estimates are used to determine the lease terms and the appropriate interest rate to establish the lease liability.

(amounts in Canadian dollars)

5. Short-term investments

	As at March 31,	
	2025	2024
	$	
Guaranteed investment certificates	3,146,656	-

The following table provides details of the guaranteed investment certificates:

As at March 31, 2025			
Type	**Interest rate**	**Expiry**	**Amount ($)**
Cashable	3.50%	September 25, 2025	1,128,950
Non-cashable	2.75%	May 7, 2025	1,014,116
Non-cashable	3.05%	August 18, 2025	1,003,590
			3,146,656

The following table presents a reconciliation of changes in short-term investments:

	Year ended March 31,	
	2025	2024
	$	
Balance, beginning of year	-	-
Acquisitions	5,000,000	800,000
Proceeds from disposals	(1,900,000)	(800,000)
Accrued interests	46,656	-
Balance, end of year	**3,146,656**	**-**

(amounts in Canadian dollars)

6. Accounts receivable

	As at March 31,	
	2025	**2024**
	$	
Customers	10,412	18,705
Tax credits on research and development expenses	73,843	84,278
Demand loan bearing annual interest rate of 4%	20,000	20,000
Advances, no interest bearing	17,983	18,749
Sales taxes	46,892	23,530
Others	1,314	1,314
	170,444	166,576

All amounts are due in the short term. The net carrying amounts are a reasonable approximation of their fair value.

Accounts receivable from customers are presented net of an allowance for expected credit loss of $4,805. The allowance for expected credit loss represents the Corporation's estimates of incurred losses arising from the failure or inability of customers to make payments when due. The expected credit losses is presented net of customers balance at year end and reported under "Selling and administrative" in the consolidated statement of loss and comprehensive loss. During the year ended March 31, 2025, the allowance for expected credit loss varied as follows:

	Year ended March 31, 2025
	$
Balance, beginning of year	**-**
Amount receivable from one customer	4,805
Balance, end of year	**4,805**

(amounts in Canadian dollars)

7. Capital assets

The following tables disclose a reconciliation of changes in capital assets:

	Year ended March 31, 2025			
	Office furniture and equipments	Computer and Medical equipments	Right-of-use assets	Total
		$		
Cost, beginning of year	**59,918**	**1,182,742**	**496,735**	**1,739,395**
Additions	-	13,723	27,984	41,707
Cost, end of year	**59,918**	**1,196,465**	**524,719**	**1,781,102**
Accumulated depreciation, beginning of year	**59,918**	**1,165,690**	**256,876**	**1,482,484**
Depreciation	-	17,673	110,755	128,428
Accumulated depreciation, end of year	**59,918**	**1,183,363**	**367,631**	**1,610,912**
Net carrying value at end of year	**-**	**13,102**	**157,088**	**170,190**

	Year ended March 31, 2024			
	Office furniture and equipments	Computer and Medical equipments	Right-of-use assets	Total
		$		
Cost, beginning of year	**59,918**	**1,171,888**	**374,700**	**1,606,506**
Additions	-	10,854	122,035	132,889
Cost, end of year	**59,918**	**1,182,742**	**496,735**	**1,739,395**
Accumulated depreciation, beginning of year	**59,918**	**1,141,293**	**157,064**	**1,358,275**
Depreciation	-	24,397	99,812	124,209
Accumulated depreciation, end of year	**59,918**	**1,165,690**	**256,876**	**1,482,484**
Net carrying value at end of year	**-**	**17,052**	**239,859**	**256,911**

(amounts in Canadian dollars)

8. Accounts payable and accrued liabilities

	As at March 31,	
	2025	2024
	$	
Suppliers and accrued liabilities	173,190	330,416
Interests payable on convertible debentures	62,144	61,628
Salaries and benefits	95,987	129,627
	331,321	521,671

9. Loans

	As at March 31,	
	2025	2024
	$	
Unsecured demand loans	125,000	125,000
Interest-free loan	169,353	195,077
fair value discount	(71,833)	(90,583)
deferred grant	85,851	98,884
Bank loan	40,000	40,000
	348,371	368,378
Current	146,413	145,007
Non-current	201,958	223,371

Unsecured demand loans totalling $125,000 (March 31, 2024 – same) bear interest at the annual rate of 10% and will mature on December 15, 2025 (March 31, 2024 – December 15, 2024). During the quarter ended December 31, 2024, the maturity date of the unsecured demand loans has been extended to December 15, 2025.

The interest-free loan of $169,353 (March 31, 2024 – $195,077) will mature in October 2031. Monthly payments amount to $2,144. The loan has an effective interest rate of 18.43%.

The bank loan of $40,000 was provided under the Canada Emergency Business Account (CEBA) program. The loan bears interest at an annual rate of 5% and is payable on December 31, 2026.

The following table presents a reconciliation of changes in loans:

	Year ended March 31,	
	2025	2024
	$	
Balance, beginning of year	**368,378**	**372,266**
Repayment	(25,724)	(10,719)
Accretion	18,750	23,433
Amortization of grant	(13,033)	(16,602)
Balance, end of year	**348,371**	**368,378**

(amounts in Canadian dollars)

10. Leases

	As at March 31,	
	2025	2024
	$	
Finance leases	178,285	263,917
Current	94,206	115,933
Non-current	84,079	147,984

During the quarter ended March 31, 2025, the Corporation entered into one lease agreement for computer equipment. The minimum monthly payment amounts to $832 for a term of 36 months ending in February 2028. The cost of the equipment under the lease of $27,984 is included in capital assets as part of right-of-use assets.

During the quarter ended September 30, 2023, the Corporation entered into one lease agreement for computer equipment. The minimum monthly payment amounts to $2,457 for a term of 60 months ending in August 2028. The cost of the equipment under the lease of $119,875 is included in capital assets as part of right-of-use assets.

The following table presents a reconciliation of changes in leases:

	Year ended March 31,	
	2025	2024
	$	
Balance, beginning of year	**263,917**	**235,886**
Office space	-	2,160
Computer equipment	27,984	119,875
Accretion	21,174	28,360
Payments	(134,790)	(122,364)
Balance, end of year	**178,285**	**263,917**

The net carrying value of computer and medical equipment under lease liabilities amounted to $131,087 as at March 31, 2025 ($152,377 as at March 31, 2024).

Contractual undiscounted cashflows under lease liabilities are as follows:

	Year ended March 31,	
	2025	2024
	$	
Within one year	98,872	133,957
1 to 2 years	39,465	88,885
2 to 5 years	50,916	71,239
Total	**189,253**	**294,081**

(amounts in Canadian dollars)

10. Leases (continued)

The following table discloses other amounts recognized in profit or loss:

	Year ended March 31,	
	2025	**2024**
	$	
Interest on lease liabilities	21,175	28,359
Short-term leases	8,463	10,991
	29,638	**39,350**

11. Convertible debentures

	As at March 31,	
	2025	**2024**
	$	
Unsecured convertible debentures	2,675,000	2,895,000
Fair value discount	(121,847)	(304,774)
Issue expenses	(8,136)	(36,950)
	2,545,017	2,553,276

The unsecured convertible debentures bear interest at 10% (8% and 10% in 2024), mature at various dates until March 26, 2026. They are convertible into common shares of the Corporation at the holders' option at exercise prices varying between $0.22 and $0.38.

During the quarter ended March 31, 2025, the Corporation amended the terms of unsecured convertible debentures (each, an "Amended Debenture") for an aggregate value of $710,000, which were due March 1, 2025 (for $590,000 unsecured convertible debentures) and March 25, 2025 (for $120,000 unsecured convertible debentures). The Amended Debentures bear interest at an annual rate of 10%, and will mature on March 1, 2026 (for $590,000 Amended Debentures) and March 25, 2026 (for $120,000 Amended Debentures). At the sole option of the Amended Debenture holder, the principal amount of the Amended Debentures may be converted at any time during the term into common shares of the Corporation at a price of $0.38 per common share.

The fair value of the Amended Debentures has been established at $653,633 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	1 year	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	18.60%

The difference of $56,367 between the nominal value and the fair value of the Amended Debentures has been recognized as other income in the consolidated statements of loss and comprehensive loss.

(amounts in Canadian dollars)

11. Convertible debentures (continued)

During the quarter ended June 30, 2023, as part of a private placement, the Corporation issued unsecured convertible debentures (each a "Q1-Debenture") for gross proceeds of $865,000. The Q1-Debentures bear interest at an annual rate of 10%, and will mature on May 18, 2025. At the sole option of the Q1-Debenture holders, the principal amount of the Q1-Debentures may be converted at any time into common shares of the Corporation at a price of $0.37 per common share. As part of the private placement, 865,000 stock warrants were issued to the Q1-Debenture holders entitling the holder to purchase one common share of the Corporation per stock warrant at a price of $0.45 per common share for a period of 18 months ending November 18, 2024.

The fair value of the Q1-Debentures has been established at $738,750 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	2 years	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	19.94%

Of the difference of $126,250 between the nominal value of the Q1-Debentures, $865,000, and the fair value of $738,750, an amount of $96,087 has been allocated to the conversion options and an amount of $30,163 has been allocated to the stock warrants prorated based on their respective fair values using the Black-Scholes option pricing model with the following weighted average assumptions:

Conversion options:

Expected life:	2 years	Risk-free interest rate:	4.64%
Liquidity discount:	25%	Volatility:	87.74%

Stock warrants:

Expected life:	18 months	Risk-free interest rate:	5.14%
Liquidity discount:	25%	Volatility:	89.90%

The following table presents a reconciliation of changes in convertible debentures:

	Year ended March 31,	
	2025	**2024**
	$	
Balance, beginning of year	**2,553,276**	**1,696,362**
Proceeds from private placements	-	865,000
Repayments	(220,000)	-
Fair value discount	-	(126,250)
Accretion	268,108	219,361
Gain on amendment to convertible debentures	(56,367)	-
Issue expenses paid in cash	-	(18,127)
Conversion into common shares	-	(100,000)
Accretion on conversion	-	15,409
Amortization of issue expenses on conversion	-	1,521
Balance, end of year	**2,545,017**	**2,553,276**

(amounts in Canadian dollars)

12. Share capital

Share capital is composed of common shares without par value. All the shares have identical rights with respect to the distribution of dividends and the repayment of capital. Each share confers the right to one vote at the annual general meeting of shareholders. The Corporation is authorized to issue an unlimited number of common shares.

The following table presents a reconciliation of changes in share capital.

	Year ended March 31,			
	2025		**2024**	
	Number	$	Number	$
Balance, beginning of year	**76,648,586**	**37,700,406**	**70,610,514**	**35,914,525**
Private placements, net of issue expenses paid in cash	24,905,301	7,211,591	3,893,003	1,175,276
Issue expenses paid in stock warrants	-	(24,500)	-	(4,800)
Fair value of stock warrants issued	-	-	-	(19,500)
Exercise of stock warrants	159,090	41,363	1,640,525	450,373
Fair value of stock warrants exercised	-	5,313	-	74,940
Exercise of stock options	150,000	30,000	50,000	10,000
Conversion of debentures, net of expenses	-	-	454,544	99,592
Balance, end of year	**101,862,977**	**44,964,173**	**76,648,586**	**37,700,406**

During the quarter ended March 31, 2025, the Corporation closed a non-brokered private placement of 6,715,370 units issued at $0.30 / unit, for gross proceeds of $2,014,611 ("Q4-Private placement"). As part of the Q4-Private placement, 6,715,370 common shares and 6,715,370 stock warrants were issued to the subscribers and 130,821 stock warrants were issued to brokers as part of their remuneration. The stock warrants can be exercised to purchase one common share per stock warrant at a price of $0.40 per common share for a period of 18 months ending August 5, 2026. The fair value of the stock warrants issued to subscribers has been established at $0 using the residual value method. The fair value of the stock warrants issued to brokers has been established at $10,400 using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected life:	18 months
Risk-free interest rate:	3.03%
Volatility:	57.48%

During the quarter ended December 31, 2024, the Corporation closed a non-brokered private placement for gross proceeds of $1,568,600 ("Q3-Private placement"). As part of the Q3-Private placement, 5,228,668 common shares and 5,228,668 stock warrants were issued to the subscribers and 60,690 stock warrants were issued to brokers as part of their remuneration. The stock warrants can be exercised to purchase one common share per stock warrant at a price of $0.40 per common share for a period of 18 months ending April 25, 2026. The fair value of the stock warrants issued to subscribers has been established at $0 using the residual value method. The fair value of the stock warrants issued to brokers has been established at $5,700 using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected life:	18 months
Risk-free interest rate:	3.81%
Volatility:	63.9%

(amounts in Canadian dollars)

12. Share capital (continued)

During the quarter ended September 30, 2024, the Corporation closed a non-brokered private placement for gross proceeds of $2,500,000 (“Q2-Private placement”). As part of the Q2-Private placement, 8,333,333 common shares and 8,333,333 stock warrants were issued to one subscriber. The stock warrants can be exercised to purchase one common share per stock warrant at a price of $0.40 per common share for a period of 18 months ending March 20, 2026. The fair value of the stock warrants issued to subscribers has been established at $0 using the residual value method.

During the quarter ended June 30, 2024, the Corporation closed two tranches of a non-brokered private placement for total gross proceeds of $1,295,821 (“Q1-Private placement”). As part of the Q1-Private placement, 4,627,931 common shares and 4,627,931 stock warrants were issued to the subscribers and 86,800 stock warrants were issued to brokers as part of their remuneration. 3,589,731 stock warrants can be exercised to purchase 3,589,731 common shares at a price of $0.40 per common share for a period of 18 months ending December 5, 2025. 1,125,000 stock warrants can be exercised to purchase 1,125,000 common shares at a price of $0.40 per common share for a period of 18 months ending November 9, 2025. The fair value of the 4,627,931 stock warrants issued to subscribers has been established at $0 using the residual value method. The fair value of the 86,800 stock warrants issued to brokers has been established at $8,400 using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected life:	18 months
Risk-free interest rate:	4.71%
Volatility:	82.68%

During the quarter ended March 31, 2024, as part of a private placement of units, the Corporation issued an aggregate number of 2,064,286 common shares and 2,064,286 stock warrants, for gross proceeds of $578,000, of which $558,500 was allocated to share capital and $19,500 to reserve.

During the quarter ended December 31, 2023, as part of a private placement of units, the Corporation issued 1,828,717 common shares and 914,356 stock warrants, for gross proceeds of $640,051. The proceeds were fully allocated to share capital since the market price of the common shares of the Corporation, at time of issuance, was above the unit price.

Capital management

The Corporation closely manages its capital structure in conjunction with economic conditions in order to produce adequate returns on investments to its Shareholders. The key capital performance measures of the Corporation reside in its capability to meet its financial obligations and to invest in the development of its technology to stay competitive and continue as a going concern.

The Corporation’s objectives when managing capital are to:

- Maintain financial flexibility in order to preserve its ability to meet financial obligations;
- Deploy capital to provide an appropriate investment return to its shareholders; and,
- Maintain a capital structure that allows multiple financing options to the Corporation.

The Corporation defines its capital as follows:

- Equity;
- Long term loans and debentures; and,
- Cash

In order to maintain or adjust its capital structure, the Corporation may issue shares, stock warrants, stock options, debt and sell some assets. During the year covered by these consolidated financial statements, the Corporation’s strategy remained unchanged from the previous year.

(amounts in Canadian dollars)

12. Share capital (continued)

Stock option plan

The Corporation maintains a stock option plan for its directors, key employees and consultants. Stock option grants vest at 50% per year, commencing with the first anniversary of the grant and can be exercised over five years. The conditions of exercise are determined by the Board of Directors in accordance with the policies of the TSX Venture Exchange. The stock options are granted at or above the share price at the close of market on the day preceding the date of grant.

The stock option plan provides that the maximum number of common shares, which may be reserved for issuance, may not exceed 12,200,000 common shares (10,200,000 in 2024). The maximum number of common shares that may be reserved for issuance to insiders of the Corporation may not exceed 10% of the common shares issued and outstanding on the grant date.

The following table presents the changes which have occurred with respect to stock options:

	Year ended March 31, 2025		**Year ended March 31, 2024**	
	Number of stock options	Weighted-average exercise price ($)	Number of stock options	Weighted-average exercise price ($)
Outstanding, beginning of year	**6,800,000**	**0.37**	**7,481,000**	**0.37**
Granted	2,320,000	0.36	350,000	0.32
Exercised	(150,000)	0.20	(50,000)	0.20
Expired	(2,025,000)	0.26	(306,000)	0.64
Forfeited	-	0.00	(675,000)	0.32
Outstanding, end of year	**6,945,000**	**0.40**	**6,800,000**	**0.37**

The weighted-average share price at the moment of exercises of stock options was $0.36 during the year ended March 31, 2025 (year ended March 31, 2024 - $0.43).

The stock-based compensation expense of $288,182 for the year ended March 31, 2025 (year ended March 31, 2024 - $178,240) arising from stock options granted to directors, key employees and consultants has been amortized according to the graded vesting method and is reported under “Selling and administrative” expenses in the consolidated statements of loss and comprehensive loss.

The weighted-average fair value of each stock option grant is estimated at $0.25 for the year ended March 31, 2025 (March 31, 2024 - $0.32) and is calculated using the Black - Scholes option pricing model with the following weighted average assumptions:

Expected life:	5 years	Risk-free interest rate:	4.36% (March 31, 2024 – 3.37%)
Dividend yield:	0%	Expected Volatility:	86.67% (March 31, 2024 – 91.84%)
Average exercise price at date of grant:	$0.36 (March 31, 2024 - $0.32)	Average share price at date of grant:	$0.32 (March 31, 2024 - $0.31)

The expected volatility was calculated on the Corporation’s share prices over the last 5 years.

(amounts in Canadian dollars)

12. Share capital (continued)

The following table summarizes information on stock options outstanding:

	Options outstanding as at March 31, 2025			Options exercisable as at March 31, 2025	
Exercise price ($)	Number of options outstanding	Weighted- average remaining contractual life (in years)	Weighted-average exercise price ($)	Number of options exercisable	Weighted-average exercise price ($)
0.01 - 0.50	4,930,000	3.11	0.33	2,475,000	0.31
0.51 - 1.00	2,015,000	0.91	0.56	2,015,000	0.56
	6,945,000	2.47	0.40	4,490,000	0.42

	Options outstanding as at March 31, 2024			Options exercisable as at March 31, 2024	
Exercise price ($)	Number of options outstanding	Weighted- average remaining contractual life (in years)	Weighted-average exercise price ($)	Number of options exercisable	Weighted-average exercise price ($)
0.01 - 0.50	4,775,000	2.15	0.28	3,750,000	0.26
0.51 - 1.00	2,025,000	1.91	0.56	2,025,000	0.56
	6,800,000	2.08	0.37	5,775,000	0.37

(amounts in Canadian dollars)

13. Reserve

	Year ended March 31, 2025			
	Stock warrants	Conversion options	Stock options	Total
	$			
Balance, beginning of year	**4,312,841**	**1,627,837**	**3,881,600**	**9,822,278**
Stock-based compensation	-	-	288,182	288,182
Exercises	(5,313)	-	-	(5,313)
Issue expenses	24,500	-	-	24,500
Balance, end of year	**4,332,028**	**1,627,837**	**4,169,782**	**10,129,647**

	Year ended March 31, 2024			
	Stock warrants	Conversion options	Stock options	Total
	$			
Balance, beginning of year	**4,334,058**	**1,550,630**	**3,703,360**	**9,588,048**
Stock-based compensation	-	-	178,240	178,240
Private placements	49,663	96,087	-	145,750
Conversion	-	(16,522)	-	(16,522)
Exercises	(74,940)	-	-	(74,940)
Issue expenses paid in cash	(740)	(2,358)	-	(3,098)
Issue expenses paid in the form of stock warrants	4,800	-	-	4,800
Balance, end of year	**4,312,841**	**1,627,837**	**3,881,600**	**9,822,278**

Stock warrants

During the quarter ended June 30, 2023, 865,000 stock warrants to purchase 865,000 common shares until November 18, 2025 were issued to the debenture holders (note 11). The fair value of the stock warrants has been established at $123,100 using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected life:	18 months	Risk-free interest rate:	5.14%
Liquidity discount:	25%	Volatility:	89.90%

(amounts in Canadian dollars)

13. Reserve (continued)

The following table presents the changes to the number of stock warrants:

	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of stock warrants	Weighted average exercise price ($)	Number of stock warrants	Weighted average exercise price ($)
Balance, beginning of year	**4,079,732**	**0.42**	**1,902,115**	**0.27**
Private placements	24,905,301	0.40	3,843,642	0.42
Private placements - issue expenses	278,311	0.40	77,000	0.40
Exercised	(159,090)	0.26	(1,640,525)	0.27
Expired	(865,000)	0.45	(102,500)	0.26
Balance, end of year	**28,239,254**	**0.40**	**4,079,732**	**0.42**

14. Segment information

The Corporation is active in one reportable segment; healthcare services.

Revenue by country:

	Year ended March 31,	
	2025	**2024**
	$	
Canada	80,340	117,313
United States of America	8,950	19,055
Mexico	9,836	17,233
Chile	1,727	14,576
Others	2,944	1,981
	103,797	170,158

For the year ended March 31, 2025, 77% of revenue was attributable to two clients, respectively 42% and 35% (year ended March 31, 2024 - 66% of revenue was attributable to two clients, respectively 45% and 21%).

Capital assets are located in Canada.

(amounts in Canadian dollars)

15. Expenses by nature

	Year ended March 31,	
	2025	2024
	$	
Audit	95,603	60,050
Bad debt	4,805	-
Communications	31,970	30,239
Consulting fees	918,617	444,979
Depreciation and amortization	128,428	124,209
Equipment	7,327	6,062
Foreign exchange	9,772	6,493
Insurance	69,354	75,755
Leasing	32,371	33,433
Legal fees	999	16,687
Marketing	87,095	41,988
Overhead	124,470	83,700
Remuneration	2,114,493	1,695,679
Stock-based compensation	288,183	178,240
Tax credits	(73,843)	(84,278)
Travel and living	88,279	64,231
	3,927,923	2,777,467

16. Other income

	Year ended March 31,	
	2025	2024
	$	
Government loan program - Grant	13,033	16,602
Office sub-rent	12,000	12,000
Gain on amendment to convertible debentures	56,367	-
Interest	50,227	6,889
Other	-	1,408
	131,627	36,899

During the year ended March 31, 2025, the Corporation proceeded with the reclassification of interest revenue from interest expense to other income. Comparative balances for the year ended March 31, 2024 were also reclassified to reflect the new classification adopted for the year ended March 31, 2025.

(amounts in Canadian dollars)

17. Interest expense

	Year ended March 31,	
	2025	2024
	$	
Interest on debentures	539,524	485,573
Interest on loans	33,251	36,239
Interest on lease liabilities	21,175	28,360
	593,950	550,172

During the year ended March 31, 2025, the Corporation proceeded with the reclassification of interest revenue from interest expense to other income. Comparative balances for the year ended March 31, 2024 were also reclassified to reflect the new classification adopted for the year ended March 31, 2025.

18. Income taxes

As at March 31, 2025 and March 31, 2024, income taxes recoverable are composed essentially of non-capital losses. Based on available information, it is not probable that income taxes recoverable on these amounts will be realized in the near future, therefore, no deferred tax asset was recorded in these consolidated financial statements.

	Year ended March 31,	
	2025	2024
	$	
Income taxes	-	-
Provision for deferred income taxes		
Deferred income taxes arising from the reversal of temporary differences	(1,068,018)	(777,082)
Un-recognized deferred tax assets on deductible temporary differences and deferred tax losses	1,068,018	777,082
	-	-
Provision for income taxes	-	-

Reconciliation of tax rates:

	Year ended March 31,	
	2025	2024
	$	
Net loss before income taxes	(4,286,449)	(3,120,582)
Statutory federal and provincial tax rates	26.50%	26.50%
Provision for income taxes calculated at statutory tax rates	(1,135,909)	(826,954)
Impacts of the following items:		
Non-deductible items	67,891	49,872
Un-recognized deferred tax assets on deductible temporary differences and deferred tax losses	1,068,018	777,082
	-	-

(amounts in Canadian dollars)

18. Income taxes (continued)

Deferred tax assets and liabilities

Changes to deferred tax assets (liabilities) related to temporary differences and unused tax losses are as follows:

	As at March 31,			
	2024	Equity	Recognized in net earnings	**2025**
		$		
Non capital losses	90,557	-	(56,112)	34,445
Right of use assets	(63,563)	-	21,800	(41,763)
Lease liabilities	63,563	-	(21,800)	41,763
Convertible debentures	(90,557)	-	56,112	(34,445)
	-	-	-	-

	As at March 31,			
	2023	Equity	Recognized in net earnings	**2024**
		$		
Non capital losses	120,503	33,456	(63,402)	90,557
Right of use assets	(57,674)	-	(5,889)	(63,563)
Lease liabilities	57,674	-	5,889	63,563
Convertible debentures	(120,503)	(33,456)	63,402	(90,557)
	-	-	-	-

Timing differences and unused tax losses for which no deferred tax has been recognized are as follows:

	As at March 31,			
	2025		**2024**	
	Canada	Mexico	Canada	Mexico
		$		
Operating losses carried forward	31,527,502	1,323,158	27,828,556	1,206,126
SR&ED expenditures	8,023,876	-	7,699,058	-
Capital assets and intangible assets	129,900	-	111,718	-
Lease liabilities	20,688	-	24,058	-
Issue expenses	219,931	-	98,392	-
	39,921,897	1,323,158	35,761,782	1,206,126

(amounts in Canadian dollars)

18. Income taxes (continued)

Operating losses carried forward

As at March 31, 2025, the Corporation had operating tax losses available in Canada and Mexico for which no deferred assets were accounted for. The following table summarizes the expiry of the losses per fiscal jurisdiction:

	Canada	Mexico	Total
		$	
2026	-	42,023	42,023
2027	56,609	261,580	318,189
2028	93,504	624,606	718,110
2029	1,585,387	293,947	1,879,334
2030	1,557,265	99,725	1,656,990
2031	854,107	1,275	855,382
2032	1,491,048	-	1,491,048
2033	1,314,504	-	1,314,504
2034	850,637	-	850,637
2035	1,948,091	-	1,948,091
2036	1,972,657	-	1,972,657
2037	1,496,200	-	1,496,200
2038	1,885,531	-	1,885,531
2039	2,660,713	-	2,660,713
2040	2,450,594	-	2,450,594
2041	1,792,423	-	1,792,423
2042	1,763,163	-	1,763,163
2043	1,783,548	-	1,783,548
2044	2,484,318	-	2,484,318
2045	3,487,203	-	3,487,203
	31,527,502	1,323,156	32,850,658

As at March 31, 2025, the Corporation also has investment tax credits totalling $2,247,269 (March 31, 2024 - $2,238,345) available to offset future Canadian federal income taxes payable. The potential benefit of the investment tax credits has not been recognized in the accounts.

19. Net change in operating working capital items

The changes in working capital items are as follows:

	Year ended March 31,	
	2025	2024
	$	
Decrease in accounts receivable	(3,868)	96,693
(Increase) decrease in prepaid expenses	(38,807)	(6,393)
Increase (decrease) in accounts payable and accrued liabilities	(190,350)	61,657
Increase in deferred revenue	(8,393)	1,683
	(241,418)	153,640

(amounts in Canadian dollars)

20. Financial instruments and risk management

a) Presentation

	As at March 31, 2025			
	Amortized cost		Total	
	Fair value	Book value	Fair value	Book value
	$			
Financial assets				
Cash	88,722	88,722	88,722	88,722
Short-term investments	3,146,656	3,146,656	3,146,657	3,146,657
Accounts receivable	49,709	49,709	49,709	49,709
Financial liabilities				
Accounts payable and accrued liabilities	235,334	235,334	235,334	235,334
Loans	348,371	348,371	348,371	348,371
Convertible debentures	2,545,017	2,545,017	2,545,017	2,545,017

	As at March 31, 2024			
	Amortized cost		Total	
	Fair value	Book value	Fair value	Book value
	$			
Financial assets				
Cash	219,015	219,015	219,015	219,015
Accounts receivable	58,768	58,768	58,768	58,768
Financial liabilities				
Accounts payable and accrued liabilities	392,044	392,044	392,044	392,044
Loans	368,378	368,378	368,378	368,378
Convertible Debentures	2,553,276	2,553,276	2,553,276	2,553,276

(amounts in Canadian dollars)

20. Financial instruments and risk management (continued)

b) Fair value hierarchy

Financial instruments

Financial instruments recorded at fair value in the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following tables present fair value hierarchy described above:

	As at March 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total financial liabilities**
	$			
Financial liabilities				
Loans	-	348,371	-	348,371
Convertible debentures	-	2,545,017	-	2,545,017
Total financial liabilities	-	2,893,388	-	2,893,388

During the period, there has been no transfer of amounts between Level 1 and Level 2.

	As at March 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total financial liabilities**
	$			
Financial liabilities				
Loans	-	368,378	-	368,378
Convertible debentures	-	2,553,276	-	2,553,276
Total financial liabilities	-	2,921,654	-	2,921,654

The Corporation has determined that the fair value of its current financial assets and liabilities measured at amortized cost approximate their carrying amounts as at the balance sheet dates because of their short-term maturity.

The fair value of loans and convertible debentures was estimated by discounting expected cash flows at rates offered to the Corporation for debts of the same remaining maturities and conditions.

20. Financial instruments and risk management (continued)

Non financial instruments

The fair value of leases was $178,285 as at March 31, 2025 (March 31, 2024 - $263,917) and estimated by discounting expected cash flows at rates currently offered to the Corporation for debts of the same remaining maturities and conditions

c) Risks

The Corporation is exposed to certain risks which could have a material impact on its ability to achieve its strategic growth objectives. The Corporation strives to control and mitigate its business and financial risks through management practices that require the ongoing evaluation, identification and implementation of risk mitigating measures that help reduce or eliminate risks related to its business operations.

The following describes the Corporation's main financial risks:

i. Credit Risks

In the normal course of business, the Corporation's exposure to credit risk results from the possibility that a customer or financial institution may default, in part or in whole, on their financial obligations, as they come due.

Cash and short-term investments
Cash and short-term investments are held by a recognized Canadian financial institution. Consequently, management considers the credit risk related to cash and short-term investments to be low as at March 31, 2025 and March 31, 2024.

Clients, advances and demand loan
The Corporation determines whether the credit risk of a financial asset has increased significantly since initial recognition considering reasonable and supportable information that is relevant and available without undue cost or effort, this includes both quantitative and qualitative information and analysis, based on the historical experience and informed assessment and including forward-looking information.

The Corporation assumes that the credit risk on financial asset has increased significantly if it is more than 90 days past due.

The Corporation considers a financial asset to be in default when the customer, or the debtor, is unlikely to fulfill the credit obligation to the Corporation in full, without recourse by the Corporation to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

As at March 31, 2025, the demand loan of $20,000 (March 31, 2024 - $20,000) is in default of reimbursement. However, the credit risk remains low due to the fact that the debtor of the loan is an officer of the Corporation and that it is secured by 200,000 common shares of the Corporation held by the debtor.

As at March 31, 2025, the credit risk related to the advances of $17,983 (March 31, 2024 - $18,749) is high due to the absence of security.

As at March 31, 2025, 60% of accounts receivable from clients was attributable to two clients active in the vision care industry (March 31, 2024 – 48%, from one client active in the software industry). It should be noted that given the specialization of the Corporation's market niche, it is most likely that such concentration risk is expected to continue. However, from one year to the next, it is rare that the same clients make up this concentration. Despite the concentration of its clients, the credit risk is mitigated through monitoring of its clients and the additional measures available to the Corporation, as previously described.

Additionally, as at March 31, 2025 and March 31, 2024, no accounts receivable are over 90 days old.

Management is reasonably assured that its receivables will be collected and therefore considers the credit risk related to accounts receivable to be low as at March 31, 2025 and March 31, 2024.

(amounts in Canadian dollars)

20. Financial instruments and risk management (continued)

ii. Liquidity Risks

Liquidity risk is the risk that the Corporation cannot meet its obligations as they come due. On an ongoing basis, the Corporation monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility. In addition, the Corporation's policy is to target contracts that will generate positive cash flows throughout their execution.

The following are the contractual maturities of liabilities and commitments as at the end of the reporting date:

	As at March 31, 2025			
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$			
Accounts payable and accrued liabilities	235,334	-	-	-
Loans	150,724	65,724	77,173	54,748
Convertible debentures	2,675,000	-	-	-
Interests	161,409	1,500	-	-
	3,222,467	67,224	77,173	54,748

	As at March 31, 2024			
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$			
Accounts payable and accrued liabilities	392,044	-	-	-
Loans	190,724	25,724	77,173	74,756
Convertible debentures	930,000	1,965,000	-	-
Interests	373,405	272,860	94,821	47,209
	1,886,173	2,263,584	171,994	121,965

Until the Corporation is able to achieve and maintain profitable operations, the available liquidity to meet near term obligations remains dependent on the Corporation's ability in securing additional financing. Refer to going concern assumptions in note 1.

iii. Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Corporation's cash flows, financial position and income. Interest rate changes directly impact the fair value of the fixed interest rate accounts of the financial statements.

The Corporation is not exposed to interest risk since its financial instruments bear interest at fixed rate and are presented at amortized cost.

(amounts in Canadian dollars)

21. Related party transactions

The Corporation's related parties include its subsidiaries as well as the Corporation's key management personnel. Key management personnel include directors and officers.

The following table presents the transactions with key management personnel:

	Year ended March 31,	
	2025	2024
	$	
Base salary	575,823	381,850
Stock-based compensation	248,079	104,622
Incentives	189,500	50,000
Interest on demand loan	800	800
Payment of interest on demand loan	(800)	(800)
	1,013,402	536,472

The following table presents the outstanding balance with one key management personnel:

	As at March 31,	
	2025	2024
	$	
Demand loan receivable, annual interest rate of 4%	20,000	20,000

22. Subsequent event

On May 18, 2025, the maturity date for $300,000 unsecured convertible debentures issued as part of a private placement of units initially announced on May 18, 2023, originally set for May 18, 2025, was extended to May 18, 2026. The Corporation as not yet determined the impact of the amendment.

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