Braxia Scientific Corp.

Consolidated Financial Statements

For the years ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Braxia Scientific Corp.

Opinion

We have audited the consolidated financial statements of Braxia Scientific Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows and for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 financial statements, which indicates that as at March 31, 2023 the Company had working capital of $7,558 and had an accumulated deficit of $116,029,098. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Vancouver	Surrey	Tri-Cities	Victoria
1500 - 1140 West Pender St.	200 - 1688 152 St.	700 - 2755 Lougheed Hwy	320 - 730 View St.
Vancouver, BC V6E 4G1	Surrey, BC V4A 4N2	Port Coquitlam, BC V3B 5Y9	Victoria, BC V8W 3Y7
604.687.4747	604.531.1154	604.941.8266	250.800.4694

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Impairment of Goodwill and Intangible Assets - Canadian Rapid Treatment Centre of Excellence Inc. ("CRTCE") and Keta MD, Inc. ("KetaMD"), Cash Generating Units ("CGUs").	
The Company disclosures related to goodwill and intangible are included in Note 3 and Note 7. The Company fully impaired the goodwill of CRTCE and KetaMD during the year ended March 31, 2023. The Company impaired the intangible assets of CRTCE by $287,944 and impaired all the intangible assets of KetaMD during the year ended March 31, 2023. The total impairment loss recognized during the year ended March 31, 2023 for goodwill was $3,716,826 and for the intangible assets was $1,751,358. As at March 31, 2023, the carrying amount of the intangible assets of CRTCE was $868,056. Goodwill is to be tested for impairment annually and whenever there is an indication of impairment. In performing the impairment assessment, the recoverable amounts of each CGU to which goodwill has been attributed is determined. The Company determined that the recoverable amounts of the CGUs corresponded to their value-in-use. It was determined that the recoverable amounts of the CGUs were lower than the respective carrying amounts, causing the Company to recognized impairment losses. While there are several assumptions that go into determining the recoverable amounts, the judgments with the highest degree of subjectivity are revenue forecast, EBITDA margins and discount rate. We considered this a key audit matter due to the significant management estimates and judgments required in determining the recoverable amount of each CGU. Auditing these estimates of the CGU recoverable	In obtaining sufficient audit evidence, we performed the following audit procedures, among others: • With the assistance of valuation specialists, o Assessed the appropriateness of valuation methods and assumptions. o Tested the information underlying the determination of the discount rates. o Tested the mathematical accuracy of the calculations. o Developed a range of independent estimates. o Performed sensitivity analysis. o Performed a look back of the prior year forecast results and compared these to actual results for the year where applicable. o Compared the prior year forecast to the current year forecast, where applicable. • Evaluated the reasonableness of revenue forecast, and EBITDA margin used in the value-in-use calculations considering the CGU's current and past performance • Assessed the adequacy of the disclosures in the financial statements. • Assessed changes in laws and regulations affecting the business of model of the CGU's.

amounts required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of valuation specialists.	

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 audit of the 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 financial statements or our knowledge obtained in the audit, 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, 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 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 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 Otto Ehinger.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 31, 2023

As At	Note	March 31, 2023 $	March 31, 2022 $
Assets			
Current assets			
Cash		1,462,311	8,677,614
Receivables		408,931	225,420
Inventory		8,677	-
Convertible notes receivable	4	-	585,593
Prepaid expenses	5	275,720	174,596
		2,155,639	9,663,223
Non-current assets			
Property and equipment	6	819,562	168,347
Joint venture	8	40,857	34,562
Intangible assets	3,7	868,056	1,156,000
Goodwill	3,7	-	612,363
Total assets		3,884,114	11,634,495
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable	10	1,091,405	660,371
Accrued liabilities	10	755,944	1,527,897
Contingent consideration	3	29,569	-
Deferred tax liability	17	94,207	240,089
Deferred revenue		101,097	26,450
Lease liability	6	25,892	33,478
Promissory note payable	14	49,967	49,967
		2,148,081	2,538,252
Non-current liabilities			
CEBA loans	12	55,308	52,550
Lease liability	6	75,996	81,062
Total liabilities		2,279,385	2,671,864
Shareholders' equity			
Share capital	9	100,426,964	96,933,063
Reserves	9	17,131,097	14,916,962
Deficit	9	(116,029,098)	(102,887,394)
Other comprehensive income		75,766	-
Total shareholders' equity		1,604,729	8,962,631
Total liabilities and shareholders' equity		3,884,114	11,634,495

Nature of operations and going concern (Note 1)
Contingencies (Note 16)

Approved on behalf of the Board of Directors on July 31, 2023:

"Dr. Roger S. McIntyre" **Director**   *"Olga M. Cwiek"* **Director**

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

Braxia Scientific Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended	Note	March 31, 2023 $	March 31, 2022 $
Revenue		1,884,171	1,487,156
Cost of sales	10	(1,712,428)	(1,240,284)
		171,743	246,872
Expenses			
Accretion	7,12	17,841	4,953
Advertising and promotion		152,438	252,996
Consulting fees	10	546,310	984,149
Depreciation	6,7	565,884	23,169
Foreign exchange		31,396	(10,260)
Insurance		456,445	416,058
Investor relations		222,551	-
Office and miscellaneous	10	1,092,404	375,719
Professional fees	10	1,447,497	1,557,654
Research and development		98,349	192,575
Salaries	10	2,161,650	1,082,673
Share-based compensation	9	859,113	2,422,562
Website development		-	74,288
Loss from operating expenses		(7,480,135)	(7,129,664)
Gain on settlement of debt	9	-	4,000
Income (losses) from joint venture	8	17,411	(3,787)
Write off of GST receivable		-	(24,400)
Impairment of goodwill	7	(3,716,826)	(5,275,374)
Impairment of intangible asset	7	(1,751,358)	-
Provision for litigation (net)	16	(64,560)	209,717
Change in fair value of convertible note receivable	4	(292,118)	40,150
Loss before income tax		(13,287,586)	(12,179,358)
Deferred income tax recovery	17	145,882	45,267
Net loss		**(13,141,704)**	**(12,134,091)**
Other comprehensive loss			
Foreign exchange translation adjustment		75,766	-
Net loss and comprehensive loss		**(13,065,938)**	**(12,134,091)**
Weighted average number of common shares – basic and diluted		228,420,709	175,243,678
Basic and diluted loss per share		(0.06)	(0.07)

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

Consolidated Statements of Changes in Equity

For the years ended March 31, 2023 and 2022

	Note	Number of shares #	Share Capital $	Obligation to issue shares $	Reserves $	Deficit $	Other comprehensive income $	Total shareholders' equity $
March 31, 2021		177,290,212	93,980,117	255,500	12,407,223	(90,753,303)	-	15,889,537
Exercise of warrants	9	468,302	74,810	-	(1,819)	-	-	72,991
Exercise of options	9	150,000	50,364	(33,000)	(17,364)	-	-	-
Voluntary share return	9	(9,780,000)	-	-	-	-	-	-
Shares for services	9	250,000	222,500	(222,500)	-	-	-	-
Shares for debt settlement	9	200,000	58,000	-	-	-	-	58,000
Common shares issued for cash	9	30,000,000	2,547,272	-	95,136	-	-	2,642,408
Options issuable for wages		-	-	-	11,224	-	-	11,224
Share-based compensation	9	-	-	-	2,422,562	-	-	2,422,562
Net loss		-	-	-	-	(12,134,091)	-	(12,134,091)
March 31, 2022		198,578,514	96,933,063	-	14,916,962	(102,887,394)	-	8,962,631
Shares issued to acquire KetaMD	3,9	42,144,629	2,229,682	-	-	-	-	2,229,682
Equity component of convertible debt	3,13	-	-	-	1,355,022	-	-	1,355,022
Common shares issued for cash	9	22,985,796	1,264,219	-	-	-	-	1,264,219
Share-based compensation	9	-	-	-	859,113	-	-	859,113
Net loss		-	-	-		(13,141,704)	75,766	(13,065,938)
March 31, 2023		263,708,939	100,426,964	-	17,131,097	(116,029,098)	75,766	1,604,729

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

Braxia Scientific Corp. (Formerly, Champignon Brands Inc.)
Consolidated Statements of Cash Flows

For the Years Ended	March 31, 2023 $	March 31, 2022 $
Operating activities		
Net loss for the period	(13,141,704)	(12,134,091)
Change in fair value of convertible note	292,118	(40,150)
Deferred income tax recovery	(145,882)	(45,267)
Depreciation	565,884	23,169
Gain on settlement of debt	-	(4,000)
Impairment of goodwill	3,716,826	5,275,374
Impairment of intangible asset	1,751,358	-
Write off of receivables	-	24,400
Provision for litigation	-	(209,717)
(Income) losses from joint venture	(17,411)	3,787
Gain on government grant	-	-
Accretion	17,841	4,953
Options issuable for wages	-	11,224
Share-based compensation	859,113	2,422,562
Net change in non-cash working capital items	(1,297,178)	149,356
	(7,399,035)	**(4,518,400)**
Financing activities		
Issuance of shares/units for cash, net	1,264,219	2,642,408
Proceeds from the exercise of warrants	-	72,991
Lease payments made	(27,804)	(11,388)
	1,236,415	**2,704,011**
Investing activities		
Cash acquired on acquisition of KetaMD	1,786	-
Net cash received from (advanced to) joint venture	11,116	(38,349)
Purchase of property and equipment	(827,247)	(25,210)
Advance of convertible notes receivable	(129,800)	(545,443)
Purchase of intangible assets	(75,341)	-
Purchase of notes receivable	(108,963)	-
	(1,128,449)	**(609,002)**
Foreign exchange on cash	75,766	-
Change in cash	(7,215,303)	(2,423,391)
Cash, beginning of year	8,677,614	11,101,005
Cash, end of year	**1,462,311**	**8,677,614**

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

1. Nature of operations and going concern

Braxia Scientific Corp. (the “Company” or “Braxia”) was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. The Company is primarily focused on (i) owning and operating multidisciplinary clinics, providing treatment for mental health disorders, and (ii) research activities related to discovering and commercializing novel drugs and delivery methods. Braxia seeks to develop ketamine and derivatives and other psychedelic products from its IP development platform. On April 29, 2021, the Company changed its name from Champignon Brands Inc. (“Champignon”) to Braxia Scientific Corp. The shares of the Company are traded on the Canadian Securities Exchange (“CSE”) (CSE:BRAX), United States OTC stock market (OTCQB:BRAXF) and on the Frankfurt Stock Exchange (FWB:496). The Company’s primary office (head office and records office) is located at 700 Bay Street, Suite 1903, Toronto, Ontario, M5G 1Z6.

Going Concern

As a company in the start-up stage, the Company does not have significant revenues, and historically has relied on share capital financing to cover its research, development and other operating expenditures. As at March 31, 2023, the Company had working capital of $7,558 (March 31, 2022 – surplus of $7,124,971), however, the Company has yet to achieve profitable operations, has accumulated losses of $116,029,098 since inception and expects to incur further losses in the development of its business.

Existing funds on hand, when combined with operational cash flow would not be sufficient to fund the Company’s operations. In addition to seeking alternate sources of financing, which could include the issuance of new public or private equity or debt instruments, or entering into strategic partnerships, the Company has been reviewing all operational costs and has made, and will continue to make, significant costs reductions to the extent possible. Readers are cautioned that there is no assurance that these efforts will result in any guaranteed improvements to cash flow, strategic or financial transactions.

These consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements. Such adjustments could be material.

Basis of presentation

These consolidated financial statements 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 Reporting Interpretation Committee (“IFRIC”) for the year presented.

These consolidated financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”).

All amounts on the consolidated financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company and all of its subsidiaries except Keta MD, Inc. The functional currency of Keta MD, Inc. is the United States dollar.

These financial statements were approved by the board of directors on July 31, 2023.

2. Significant accounting policies

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, as follows:

Braxia Scientific Corp. ("Braxia")	Legal parent company
Altmed Capital Corp.	Psychedelic and health company
Tassili Life Science Corp. ("TLS")	Research and development company
Artisan Growers Ltd. ("AGL")	Mushroom cultivation company
Novo Formulations Ltd. ("NOVO")	Research and development company
Keta MD, Inc. ("KetaMD")	Innovative telemedicine company
Canadian Rapid Treatment Centre of Excellence Inc. ("CRTCE")	Ketamine clinic company

A subsidiary is an entity controlled by the Company and is included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed where necessary to align them with the policies adopted by the Company.

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in the preparation of these financial statements.

Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial, and operating decisions. Joint ventures are joint arrangements whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to $nil and additional losses are not provided for unless the Company is committed to provide other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary adjustments are made to bring the accounting policies of associates in line with those of the Company.

The Company uses the equity method to account for CRTCE's Montreal Joint Venture, in which the Company controls a 50% interest. (Note 8).

2. Significant accounting policies (continued)

Share-based payments

Braxia grants stock options to buy common shares of the Company to Directors, Officers, employees and certain consultants. The Board of Directors grants such options for periods of up to five (5) years, with vesting periods determined at its sole discretion and at prices equal to the discounted market price, as calculated pursuant to the policies of the CSE, or such other minimum price as may be required by the CSE.

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Leases

The Company assesses at the time of agreement whether an agreement is, or contains, a lease. An agreement is, or contains, a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets (“ROU”) are recognized at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Property and Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. Equipment not available for use is not subject to depreciation. Depreciation is recognized on a straight-line basis over a term of five years.

An asset’s residual value, useful life and depreciation method is reviewed at each reporting period and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Leasehold improvements are amortized over the remaining life of the lease.

Subsequent costs that meet the asset recognition criteria are capitalized, while costs incurred that do not extend the economic useful life of an asset are considered repairs and maintenance, which are accounted for as an expense recognized during the period. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The Company capitalizes direct costs that are directly attributable to the acquisition or development of KetaMD’s telehealth technology. The Company capitalizes direct costs incurred during the application and infrastructure development and graphical design development stages of its website development projects. All website costs incurred during the preliminary project stage, including planning and research, are expensed as incurred, as well as any costs incurred for content development and costs incurred once development is complete.

2. **Significant accounting policies** (continued)

Intangible assets (continued)

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the remaining amortization periods or methods, as appropriate, and are treated as changes in accounting estimates.

Intangible assets are amortized over the following methods and periods:

Type	Amortization method
Technology/Software	Straight-line basis over 3 years
License	Not depreciated

Business combinations

A business combination is a transaction in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed to profit or loss. Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

During the measurement period (one year from the date of acquisition), the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statement of loss and comprehensive loss.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit (“CGU”) or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

2. Significant accounting policies (continued)

Impairment of intangible assets and goodwill

Goodwill and intangible assets with an indefinite life or not yet available for use are tested for impairment annually, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment.

Goodwill and indefinite life intangible assets are tested annually for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Goodwill is allocated to CGUs or groups of CGU's for impairment testing based on the level at which it is monitored by management, and not at a level higher than an operating segment. Goodwill is allocated to those CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill arose, which requires the use of judgment.

An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amounts of the CGUs' assets have been determined based on the higher of a fair value less costs of disposal and value in use. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying value of assets in the CGU on a pro-rata basis. Any impairment is recorded in profit and loss in the period in which the impairment is identified. A reversal of an asset impairment loss is allocated to the assets of the CGU on a pro rata basis. In allocating a reversal of an impairment loss, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior period. Impairment losses on goodwill are not subsequently reversed.

Convertible debentures

The convertible debentures which meet the fixed-for-fixed criteria (fixed consideration received and fixed number of shares issued upon conversion) are separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability based upon non-convertible debt issued using the Company's internal borrowing rate and accounted for at amortized cost using the effective interest rate method. The fair value of the equity component is determined at the time of issue.

Research and development expenditures

Expenditures on research activities are recognized as an expense in the period in which they are incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. Significant accounting policies (continued)

Revenue recognition

IFRS 15 utilizes a methodical framework for entities to follow to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The IFRS 15 model contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

The Company derived revenues from the provision of health services. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

In respect of the operations of CRTCE and KetaMD it derives revenue from providing Ketamine infusion treatments to patients. Initial treatments consist of separate treatments over a two-week period. Revenues are recognized when each treatment is completed and payment is received or receivable upon rendering of treatments. Payments received prior to patients receiving treatments is recorded as deferred revenue.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

2. Significant accounting policies (continued)

Estimates:

The determination of the fair value of convertible notes, stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's convertible notes, stock options and warrants.

Judgments:

(i) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(ii) Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. Estimates are made as to the fair value of assets and liabilities acquired. The determination of these fair values involves a variety of assumptions. The Company measures all the assets acquired and liabilities assumed at their acquisition date fair values. Acquisition related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

(iii) Under IFRS, an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use. The Company's approach in determining the recoverable amount utilizes a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgments are applied in determining the level of cash-generating unit identified for impairment testing and the criteria used to determine which assets should be aggregated. A difference in testing levels could affect whether an impairment is recorded and the extent of impairment loss. Changes in the Company's business activities or structure may also result in changes to the level of testing in future periods.

3. Business combination

KetaMD Inc.

On August 2, 2022, the Company completed the acquisition of all of the issued and outstanding shares of KetaMD, Inc. ("KetaMD") pursuant to a stock purchase agreement (the "Transaction"). KetaMD was a U.S. based, privately held, telemedicine company, with a mission to address mental health challenges via access to technology facilitated ketamine-based treatments.

Under the terms of the share purchase agreement, Braxia acquired 100% of the common shares of KetaMD on the following terms:

- Holders of KetaMD common shares ("KetaMD Common Shareholders") were issued 42,144,629 Braxia common shares (the "Consideration Shares");
- The KetaMD Common Shareholders will potentially also receive up to 21,915,207 Braxia common shares (the "Earnout Shares") in the event that (A) the market capitalization of Braxia reaches certain sustainable levels during the period ending on the fifth anniversary of the closing of the Transaction and/or (B) KetaMD achieves certain gross income and EBITDA milestones over the three fiscal years following closing of the Transaction. If issued, the Earnout Shares would represent 8.3% of the issued and outstanding Braxia common shares on a post-closing basis;
- The KetaMD Common Shareholders have entered into a voting support arrangement with Braxia pursuant to which they have agreed to support proposed nominees of the board and other shareholder resolutions recommended by the board of Braxia;

3. Business combination (continued)

The business objectives of KetaMD were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of KetaMD. The results of KetaMD since acquisition are disclosed in Note 15 in the U.S. segment which only consists of KetaMD.

In addition, certain existing noteholders of KetaMD were issued convertible debentures of Braxia, due December 31, 2023, with a face value of $2,993,520 in exchange for the cancellation of the KetaMD notes. The convertible debentures provide a conversion right into Braxia common shares at the option of the holder and mandatory conversion by Braxia if not converted or repaid prior to the Maturity date, of December 31, 2023 (Note 13).

The Company has engaged a third-party valuation specialist to assist in the determination of the purchase price and purchase price allocation. KetaMD had inputs, as well as substantial processes in place to generate outputs. As a result, the acquisition of KetaMD constituted a business combination as KetaMD met the definition of a business under IFRS 3 - Business Combinations ("IFRS 3"). In accordance with IFRS 3, the consideration was measured at fair value on the date of acquisition, which is the date control was obtained. The table below summarizes the fair value of the assets acquired and the liabilities assumed at the effective acquisition date of August 2, 2022:

	August 2, 2022 $
Consideration paid on business combination:	
Fair value of 42,144,629 common shares (Note 9)	2,229,682
Fair value of Earnout shares	29,569
Fair value of Convertible debentures issued (Note 13)	1,355,022
Fair value of Convertible debentures deemed cancelled Braxia Notes (Note 4)	532,238
Total consideration paid	4,146,511
Preliminary allocation of net assets of KetaMD acquired:	
Cash	1,786
Prepaids	24,223
Inventories	9,694
Property, plant, and equipment	3,182
Technology (note 7)	1,678,994
Accounts payable and accrued liabilities	(539,260)
Loans payable	(136,571)
Identifiable net assets acquired	1,042,048
Goodwill (note 7)	3,104,463

The results of operations of KetaMD are included in the consolidated financial statements of the Company from August 2, 2022, that date being the date on which the Company's control of KetaMD commenced. Keta MD generated revenues of $70,962 and a net loss of $1,334,163 in the period August 2, 2022 to March 31, 2023 and unaudited revenues of $70,962 and an unaudited net loss of $2,200,294 for the full period from April 1, 2022 to March 31, 2023.

4. Convertible notes receivable

As part of an LOI, entered into on October 26, 2021, the Company signed a non-binding letter of intent (LOI) with KetaMD Inc. ("KetaMD"). As part of the LOI the Company provided US$535,000 of working capital to KetaMD in exchange for four convertible notes bearing interest at 8% and maturing December 31, 2022. The notes are convertible into common shares of the KetaMD. Prior to the repayment or conversion of the note, the note will convert upon the occurrence of the following (collectively an "Extraordinary Event"):

i. the consolidation or merger of KetaMD in which the holders of KetaMD's outstanding voting securities pre-closing of that event do not retain voting securities representing a majority of the voting power of the surviving entity,
ii. the sale, transfer or exclusive license of all or substantially all of the assets of KetaMD or
iii. the sale of equity in one transaction or series of related transactions by the existing holders of shares of KetaMD the result of which is that more than fifty percent of KetaMD 's outstanding voting securities immediately following such transaction are owned by any person who was not the holder of a majority of the outstanding voting securities of KetaMD immediately prior to any such transaction.

4. Convertible notes receivable (continued)

The note is also convertible upon the occurrence of an equity financing or upon maturity on December 31, 2022. If the equity financing is for proceeds of $1,500,000 or more (a "Qualified Financing") the outstanding balance shall be automatically converted, in whole, without any further action on the part of the Company. If the equity financing is for proceeds of less than $1,500,000 (a "Non-qualified Financing") the Company has the sole option of converting the outstanding balance. The note is convertible into the number of common shares of KetaMD calculated by dividing the outstanding balance by the lower of:

i. 80% of the per share price of the Qualified or Non-Qualified Financing or
ii. a per share price equal to the quotient of $25,000,000 divided by the aggregate issued and outstanding common shares of KetaMD assuming conversion or exercise of all outstanding options, warrants, and convertible securities, including any shares reserved for grant under any equity incentive or similar plans.

In the event the outstanding balance has not been repaid or converted or an Extraordinary Event has not occurred, then following the maturity date, the majority holders may convert the outstanding balance into the number of shares of a newly created series of the KetaMD's common share calculated by dividing the outstanding balance by a per share price equal to the quotient of $25,000,000 divided by the aggregate issued and outstanding common shares of KetaMD assuming conversion or exercise of all outstanding options, warrants, and convertible securities, including any shares reserved for grant under any equity incentive or similar plans.

During the year ended March 31, 2022, the Company acquired three convertible debentures with an initial fair value on inception of $545,443. As at March 31, 2022, the fair value of the convertible debentures was determined to be $585,593. On March 31, 2022, the fair value of the instrument was estimated using the Binomial Option Pricing Model together with a discounted cash flow model using a discount rate of 14.82% a risk-free rate of 1.63%, expected volatility of 84%, an expected life of 0.75 years, a share price of $0.2448, and an exercise price of $1.00.

During the year ended March 31, 2023, the Company acquired additional convertible debentures with the same terms with an initial fair value on inception of $238,763.

On August 2, 2022, the Company acquired 100% of KetaMD as described in Note 3. The aggregate fair value of the convertible notes on August 2, 2022, was determined to be $532,238. The fair value of the convertible notes receivable was determined based on the fair value of the Braxia notes issued as part of the consideration to third parties on a pro rata basis. The change in the fair value at March 31, 2023 of $292,118 (2022 - $40,150) was recorded as a loss on change in fair value of convertible notes receivable.

Upon the acquisition of 100% of KetaMD, the Braxia convertible notes receivable from KetaMD were deemed to be cancelled and were included as part of the purchase consideration for KetaMD (Note 3).

5. Prepaid expenses

Prepaid expenses consist of the following:

	March 31, 2023 $	March 31, 2022 $
Insurance and others	143,415	130,782
Marketing services	48,308	-
Office	1,427	-
Consulting	34,897	-
Legal	6,741	-
Deposits	40,932	43,814
Total	275,720	174,596

6. Property and Equipment

Cost	Right-of-use assets $	Leasehold Improvements $	Equipment $	Total $
March 31, 2021	28,047	-	42,118	70,165
Additions	115,937	-	25,210	141,147
March 31, 2022	143,984	-	67,328	211,312
Additions	-	598,117	229,130	827,247
March 31, 2023	143,984	598,117	296,458	1,038,559
Accumulated depreciation				
March 31, 2021	(19,075)	-	(721)	(19,796)
Depreciation	(12,316)	-	(10,853)	(23,169)
March 31, 2022	(31,391)	-	(11,574)	(42,965)
Depreciation	(40,125)	(87,942)	(47,965)	(176,032)
March 31, 2023	(71,516)	(87,942)	(59,539)	(218,997)
Net book value				
March 31, 2022	112,593	-	55,754	168,347
March 31, 2023	72,468	510,175	236,919	819,562

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities as at March 31, 2023 and March 31, 2022 and for the years then ended is as follows:

	Total $
March 31, 2021	8,972
Additions	115,936
Accretion	1,020
Lease payments	(11,388)
March 31, 2022	114,540
Additions	-
Accretion	15,152
Lease payments	(27,804)
March 31, 2023	101,888
Current portion	(25,892)
Long-term portion	(75,996)

As at March 31, 2023, there were no extension lease options that were reasonably certain to be exercised included in the measurement of the lease liabilities, and there were no leases with residual value guarantees.

7. Intangible assets and goodwill

Intangible assets:

As at March 31, 2023 and March 31, 2022, the Company had an intangible asset that consisted of a license for the Company's fully licensed health care facility in Mississauga, Canada which is an indefinite life asset. At March 31, 2023, the Company determined that the license's carrying amount exceeded its recoverable amount, as a result the Company recorded an impairment equal to the excess of the carrying amount over the recoverable amount of $287,944.

During the year ended March 31, 2023, as part of the acquisition of KetaMD as described in Note 3, the Company acquired KetaMD's telehealth technology. The KetaMD technology has a useful life of 3 years. At March 31, 2023, the Company determined that KetaMD's technology carrying amount exceeded its recoverable amount, as a result the Company recorded an impairment equal to the excess of the carrying amount over the recoverable amount of $1,463,414.

7. **Intangible assets and goodwill** (continued)

	License $	Technology $	**Total $**
Cost			
March 31, 2022	1,156,000	-	**1,156,000**
Additions related to KetaMD	-	1,678,994	**1,678,994**
Other additions	-	75,341	**75,341**
March 31, 2023	1,156,000	1,754,335	**2,910,335**
Accumulated amortization			
March 31, 2022	-	-	**-**
Additions	-	389,852	**389,852**
Impairment	287,944	1,463,414	**1,751,358**
Foreign exchange	-	(98,931)	**(98,931)**
March 31, 2023	287,944	1,754,335	**2,042,279**
Net book value			
March 31, 2022	1,156,000	-	**1,156,000**
March 31, 2023	868,056	-	**868,056**

Goodwill:

At March 31, 2022, management had identified its Mississauga operations as the lowest level within the Company at which goodwill is monitored for internal management purposes. At March 31, 2022, for the purpose of the goodwill impairment testing, goodwill arising on the acquisition of CRTCE was allocated to the Mississauga CGU. Following the acquisition of KetaMD as described in Note 3, the Company also identified its Florida operations as a separate CGU and allocated the goodwill arising from the acquisition of KetaMD to the Florida CGU.

	Total $
Goodwill:	
March 31, 2021	5,887,737
Impairment	(5,275,374)
March 31, 2022	612,363
Additions (Note 3)	3,104,463
Impairment	(3,716,826)
March 31, 2023	-

For the purposes of testing impairment, the recoverable amount of each CGU comprising goodwill was based on value in use. As at March 31, 2023, the carrying value of the CGU exceeded the recoverable amount and the Company recognized a full impairment of the goodwill relating to the Florida CGU associated with the acquisition of KetaMD of $3,104,463. As at March 31, 2023 and 2022, the carrying value of the Mississauga CGU also exceeded the recoverable amount and the Company recorded an impairment of the goodwill associated with the CRTCE acquisition of $612,363 (2022 - $5,275,374).

8. **Joint Venture**

Subject to a term sheet dated January 12, 2021, in the first quarter of fiscal 2022, the Company began operating a clinic in Montreal to offer rapid onset treatments, such as Intravenous Ketamine Therapy, to treat depression and other mental disorders. The agreement is a 50/50 joint venture with the Montreal Neurotherapie Center. Subsequent to March 31, 2021, and as part of the agreed terms, the Company contributed $25,000 to fund start up costs and first year working capital.

Among other items, the Company will also contribute a referral network, marketing support services, medical professionals to assist in patient intake and follow-up as well as protocol implementation. The parties have not yet finalized a definitive joint venture agreement which shall provide, among other things, the terms and conditions outlined in the term sheet of January 12, 2021.

8. Joint Venture (continued)

Based on the terms of the Term Sheet, management has determined that the transaction meets the definition of a joint venture. Accordingly, the investment is accounted for using the equity method in these financial statements.

	$
Opening balance, March 31, 2021	-
Cash advanced	40,000
Cash repaid	(1,651)
Share of losses in Joint Venture	(3,787)
Ending balance, March 31, 2022	34,562
Cash repaid	(11,116)
Share of income in Joint Venture	17,411
Ending balance, March 31, 2023	40,857

The following table summarizes the relevant financial information of the Company's Joint Venture and reflects the amounts presented in the financial statements of the Joint Venture.

	March 31, 2023 $	March 31, 2022 $
Cash and cash equivalents	23,666	13,638
Current financial liabilities	41,440	58,167
Non-current financial liabilities	-	-
Depreciation and amortisation	-	-
Interest expense	10,892	2,261
Total Net Income (Loss)	33,482	(7,283)

9. Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Transactions for the issue of shares during the year ended March 31, 2023:

On February 27, 2023, the Company closed an offering and issued 13,658,524 units of the Company (the "Units") at a price of $0.055 per Unit for aggregate gross proceeds of $751,219 pursuant to the listed issuer financing exemption. The Company also closed a concurrent private placement and issued 9,327,272 Units for aggregate gross proceeds of $513,000. Each Unit will be comprised of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.07 per Common Share for a period of three years following the issuance of each Warrant.

During the year ended March 31, 2023, the Company issued 42,144,629 common shares pursuant to the acquisition of KetaMD, Inc. for a fair value of $2,229,682. (Note 3)

Transactions for the issue of shares for the year ended March 31, 2022:

During the year ended March 31, 2022, the Company issued 468,302 common shares pursuant to warrant exercises for gross proceeds of $72,991. The Company re-allocated $1,819 from reserves to share capital.

During the year ended March 31, 2022, the Company issued 150,000 common shares pursuant to option exercises for gross proceeds of $33,000. The Company reclassified $33,000 from obligation to issue shares to share capital and $17,364 from reserves to share capital.

The Company issued 250,000 common shares pursuant to services rendered with a fair value of $222,500. The Company reclassified $222,500 from obligation to issue shares to share capital.

During the year ended March 31, 2022, 9,780,000 common shares were returned to treasury with a fair value of $Nil. The shareholders agreed to surrender these shares to facilitate the resumption in the trading of the shares on the CSE, which followed the revocation of cease trade orders issued by the British Columbia Securities Commission and Ontario Securities Commission on April 22, 2021.

9. Share Capital (continued)

On August 13, 2021, the Company issued 200,000 common shares to settle $62,000 owed to an independent contractor. The Company recorded the common shares at their fair value of $58,000 and recorded the difference between the fair value of the shares issued and the amount owed of $4,000 as a gain on settlement of debt.

On January 10, 2022, the Company closed a Private Placement and issued 30,000,000 common shares (or common share equivalents) and Warrants to purchase up to an aggregate of 30,000,000 common shares at a purchase price of $0.10 per common share and associated Warrant. Each Warrant will entitle the holder to purchase one common share at an exercise price of $0.125 per common share for a period of five years following the issuance date. Included in the private placement are 500,000 common share equivalents issued which consisted of one pre-funded warrant (a "Pre-Funded Warrant"), which was exercisable for one common share at an exercise price of $0.0001 per common share and expired when exercised in full on January 14, 2022.

The 500,000 Pre-Funded Warrants were issued to those purchasers of common shares in the Private Placement that would result in the purchaser, beneficially owning more than 9.99% of the outstanding common shares following the consummation of the Private Placement. The Pre-Funded Warrants were converted to common shares on January 14, 2022. In connection with its role as placement agent, the Company paid H.C. Wainwright & Co. a cash fee of $210,000 and issued 2,100,000 broker warrants ("Broker Warrants") to nominees of H.C. Wainwright & Co. Each Broker Warrant will entitle the holder to purchase one common share at an exercise price of $0.125 per common share for a period of five years following the issuance date. The fair value of the Unit Finders' Warrants was estimated at $95,136 using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 5 years; expected volatility – 97%; dividend yield – $0; and risk-free rate – 1.42%. The Company also paid $147,592 of additional share issuance costs.

Escrowed shares

As at March 31, 2023 there were 2,823,000 shares and 450,000 warrants in escrow.

Stock options

The Directors of the Company adopted a Stock Option Plan on October 15, 2019 (the "Plan") that allows it to grant options, subject to regulatory terms and approval, to its Officers, Directors, employees and certain consultants. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of up to 10% of the Company's outstanding common shares, calculated from time to time.

A summary of the Company's options as at March 31, 2023 and March 31, 2022, and changes during the years then ended is as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Outstanding options, beginning of year	10,500,000	0.61	8,400,000	0.62
Granted	11,220,000	0.08	9,750,000	0.40
Expired	-	-	(600,000)	0.22
Forfeited / Cancelled	(6,750,000)	0.40	(7,050,000)	0.36
Options outstanding, end of year	14,970,000	0.31	10,500,000	0.61

As at March 31, 2023 the Company had options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
3,750,000	3,750,000	0.99	2.12	May 11, 2025
11,220,000	10,553,333	0.08	4.42	August 29, 2027
14,970,000	14,303,333	0.31		

9. **Share Capital** (continued)

Granted during the year ended March 31, 2023:

On August 29, 2022, the Company granted stock options to officers, directors and consultant to purchase an aggregate of 11,220,000 common shares at an exercise price of $0.075 per common share for up to five years. The options vested as follows: For 10,220,000 options 1/2 vest upon grant, and 1/2 vest 6 months from the date of issuance; For 1,000,000, 1/3 vest 6 months from the date of issuance, 1/3 vest 12 months from the date of issuance and 1/3 vest 18 months from the date of issuance. The total grant date fair value of the options was measured at $645,234 using the Black-Scholes Option Pricing Model using the following assumptions: share price of $0.08, exercise price of $0.08, risk-free rate of 3.31%, expected volatility of 104%, and expected life of 5 years. During the year ended March 31, 2023, the Company recognized $625,595 as share-based compensation for options vested in the period.

Granted during the year ended March 31, 2022:

On May 28, 2021, the Company granted stock options to officers, directors and consultant to purchase an aggregate of 9,750,000 common shares at an exercise price of $0.395 per common share for up to five years. The options vested as follows: 1/3, 6 months from the date of issuance, 1/3, 12 months from the date of issuance and 1/3, 18 months from the date of issuance. The total grant date fair value of the options was measured at $2,680,684 using the Black-Scholes Option Pricing Model using the following assumptions: share price of $0.395, exercise price of $0.395, risk-free rate of 0.75%, expected volatility of 91%, and expected life of 5 years. During the year ended March 31, 2023, the Company recognized $233,518 (2022 - $2,144,811) as share-based compensation for options that vested in the year.

On December 10, 2021, 3,000,000 options, which were issued on May 28, 2021, were cancelled and in accordance with IFRS 2, the cancellation was accounted for as an acceleration of the vesting terms and accordingly the remaining unvested stock-based compensation of $277,751 was recognized as an expense at the cancellation date.

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. The Company may also issue standalone compensatory warrants, which are valued using the Black-Scholes Option Pricing Model.

A summary of the status of the Company's warrants as at March 31, 2023 and March 31, 2022, and changes during the years then ended is as follows:

	Year Ended March 31, 2023		Year ended March 31, 2022	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Outstanding warrants, beginning of year	35,100,000	0.11	15,705,866	0.75
Issued	22,985,796	0.07	32,100,000	0.125
Exercised	-	-	(468,302)	0.16
Expired	-	-	(12,237,564)	0.96
Warrants outstanding, end of year	58,085,796	0.10	35,100,000	0.11

As at March 31, 2023 the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)
3,000,000	3,000,000	0.005	1.11
32,100,000	32,100,000	0.13	3.78
22,985,796	22,985,796	0.07	2.92
58,085,796	58,085,796	0.10	

9. Share Capital (continued)

Reserves

Reserves includes the accumulated fair value of stock options recognized as share-based compensation, the fair value of finders' warrants issued in connection with private placements, and the fair value of other standalone compensatory warrants issued. Reserves is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants are exercised.

Loss per share

The calculation of basic and diluted loss per share for the year ended March 31, 2023 was based on the loss of $13,141,704 and a weighted average number of common shares outstanding of 228,420,709. The calculation of basic and diluted loss per share for the year ended March 31, 2022 was based on the loss of $12,134,091 and a weighted average number of common shares outstanding of 175,243,678. All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

10. Related party transactions and balances

The Company's related parties include key management personnel, including Officers and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

The fair value of 9,200,000 (2022 - 4,950,000) stock options granted to Officers and Directors of the Company during the year ended March 31, 2023 was $557,825 (2022 - $1,088,904).

The aggregate value of other transactions with related parties during the year ended March 31, 2023 and 2022 is as follows:

	March 31, 2023 $	March 31, 2022 $
Salaries	1,216,872	1,196,320
Professional fees	30,000	115,075
Rent	25,289	19,882
Products purchased from a pharmacy owned by the Vice President of Operations of the Company's subsidiary	196,956	210,720
	1,469,117	1,541,997

For the year ended March 31, 2023, $321,396 (March 31, 2022 - $82,276) was owed to related parties of the Company which is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

As part of the concurrent private placement closed February 27, 2023 (Note 9), the Chairman and CEO of the Company subscribed for 3,181,818 Units with a purchase price of $175,000.

11. Financial risk management

Capital management

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares or units.

The Company is not subject to externally imposed capital requirements and does not present utilize any quantitative measures to monitor its capital.

There were no changes in the Company's management of capital during the year ended March 31, 2023.

11. Financial risk management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured using Level 1 inputs. The fair value of convertible notes receivable is measured using Level 3 inputs (Note 4). The carrying value of promissory note payable and accounts payable approximates the fair values due to their short-term term to maturity or guaranteed cash value at maturity.

The fair value of the CEBA loan payable approximates to its face value (Note 12).

At March 31, 2023, the Company did not have financial instruments measured using Level 3 inputs. The following table shows the valuation techniques used in measuring Level 3 fair values for convertible notes receivable, as well as the significant unobservable inputs used at March 31, 2022.

Type	Valuation Technique	Key Inputs	Inter-relationship between significant inputs and fair value measurement
Convertible notes receivable	The fair value of convertible notes receivable at the year-end has been calculated using a Binomial Option Pricing Model together with a discounted cash flow model.	*Key observable inputs* • Share price of $0.2448 • Exercise price of $1.00 • Risk-free interest rate of 1.63% • Expected life of 0.75 years *Key unobservable inputs* • Discount rate of 14.82% • Expected volatility of 84%	The estimated fair value would increase (decrease) if: • The share price was higher (lower) • The risk-free interest rate was higher (lower) • The discount rate was (higher) lower • The expected volatility was was higher (lower)

Sensitivity analysis

For the fair values of convertible notes receivable, reasonably possible changes to expected volatility and the discount rate, the significant unobservable inputs, holding other inputs constant would have the following effects:

	March 31, 2023 $		March 31, 2022 $	
Convertible notes receivable Comprehensive loss	Increase	Decrease	Increase	Decrease
Discount rate (4% movement vs. the model input)	-	-	(15,700)	16,300
Expected volatility (20% movement vs. the model input)	-	-	28,700	(29,700)

11. Financial risk management (continued)

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

The Company has minimal credit risk exposure in respect of receivables, as they primarily consist of refundable credits are due from Canadian Government. The Company is also exposed to credit risk related to the Company's convertible notes receivable. The credit risk related to the convertible notes receivable is considered low as the Company acquired the shares of the borrower and the notes were cancelled (Note 3).

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2023, the Company did not have any financial instruments subject to interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of March 31, 2023, the Company had current assets of $2,155,639 to cover short term obligations of $2,148,081.

Historically, the Company's sole source of funding has been through share and unit offerings. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

12. CEBA Loans

During the year ended March 31, 2021, the Company received an aggregate $60,000 from Canada Emergency Business Account ("CEBA") which were interest free loans from the Government of Canada. If the Government of Canada is repaid by December 31, 2023, $20,000 will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum. Upon initial recognition, the Company recorded a gain of $12,612.

	Total $
Balance, March 31, 2021	48,616
Accretion	3,934
Balance, March 31, 2022	52,550
Accretion	2,758
Balance, March 31, 2023	55,308
Less current portion	-
Non-current portion of loan payable	55,308

13. Convertible debentures payable

As part of the acquisition of KetaMD as described in Note 3 and 4, certain existing noteholders of KetaMD were issued convertible debentures of Braxia (the "Debentures") due December 31, 2023 (the "Maturity Date"), with a face value of $2,993,520 in exchange for the cancellation of the KetaMD notes. The Debentures provide a conversion right into Braxia common shares at the option of the holder and mandatory conversion by Braxia if not converted or repaid prior to the Maturity Date. The Debentures may also be prepaid or redeemed at the option of Braxia. The conversion price for optional conversion by the holder will be based on the benchmark price of $0.10 per Braxia common share (the "Benchmark Price"). The conversion price for mandatory conversion by Braxia on the Maturity Date is $0.15 per share.

Holders of the Debentures will be entitled to convert a portion of their holdings into Braxia common shares as follows:

- 33% of the principal amount may be converted into Braxia common shares at a price equal to the Benchmark Price prior to December 15, 2023;
- 33% of the principal amount may be converted into Braxia common shares at a price equal to 150% of the Benchmark Price, or $0.15 per share, prior to December 15, 2023; and
- 34% of the outstanding principal amount may be converted into Braxia common shares at a price equal to 200% of the Benchmark Price, or $0.20 per share, prior to December 15, 2023.
- The Debentures contain a mandatory cash prepayment obligation in the event Braxia raises USD $10 million in equity capital prior to the Maturity Date.

The convertible debentures are considered to be an equity instrument as the holders have no option to demand cash. Management estimated the fair value of the prepayment feature using a discount rate of 30% applicable to the Company's business, and the fair value of the conversion feature using the fair value of the Company's common stock and the probability of the debentures being converted.

The Company determined that it is only obligated to repay the instrument in cash if it chooses to complete a capital raising milestone or if it chooses to do so by exercising its prepayment option which is at the Company's option. All other settlement options result in the issuance of common shares. The settlement of the debt in shares is always for a fixed number of shares at a fixed price and therefore, the 'fixed for fixed' criteria in IAS 32 is met and the fair value of the convertible note and prepayment feature was classified with in equity.

	Equity Classified Mandatory Prepayment Feature $	Equity Classified Conversion Feature $	**Total** **$**
Balance March 31, 2022	-	-	**-**
Additions	110,369	1,244,653	**1,355,022**
March 31, 2023	110,369	1,244,653	**1,355,022**

14. Promissory notes payable

On September 11, 2019, Altmed entered into a Promissory Note Agreement with an arm's length party for gross proceeds of $50,000 (the "Loan"), net of $33 in bank fees. The Loan is non-interest bearing, due on demand and unsecured.

15. Segment information

Operating segment information:

At March 31, 2023, the Company operates in one reportable segment, the Health segment, and in two geographic regions, being Canada and the USA.

15. Segmented information (continued)

	Canada $	U.S. $	Total $
Year ended March 31, 2023			
Revenue	1,813,209	70,962	1,884,171
Net income (loss)	(11,807,541)	(1,334,163)	(13,141,704)
Year ended March 31, 2022			
Revenue	1,487,156	-	1,487,156
Net loss	(12,134,091)	-	(12,134,091)
As at March 31, 2023			
Total non-current assets	1,728,475	-	1,728,475
As at March 31, 2022			
Total non-current assets	1,971,272	-	1,971,272

16. Contingencies

On April 23, 2021, the Tassili Life Sciences Corp, a wholly-owned subsidiary of the Company was served with a lawsuit by the University of Miami alleging breach of contract and unjust enrichment under the laws of the state of Florida. The plaintiff was seeking damages in the amount of US$1,299,580, costs of the action plus other relief as appropriate. The Company settled the claim for $64,639 (USD$50,000). The Company had previously recorded within accounts payable a provision for litigation of $1,623,956. The settlement was considered an adjusting subsequent event and recorded as of March 31, 2022, where the Company recorded a reduction of provision for litigation of $1,559,317 to reduce the amount included in accounts payable to the settlement amount of $64,639 as of March 31, 2022. The Company paid the $64,639 amount during the year ended March 31, 2023.

On May 3, 2021, the Company was served with a notice of civil claim in a proposed class proceeding in British Columbia against the Company, its CEO, certain of its former officers, a shareholder, and underwriters which were engaged in connection with a private placement financing for the Company in June 2020. The claim was based on allegations relating the Company's disclosure documents regarding the value of three acquisitions made by the Company in 2020 and related matters. The plaintiff was seeking an unspecified monetary amount of damages for the proposed class. In September 2022, the British Columbia Supreme Court approved a settlement. The settlement involved a cash payment of CDN $1.9 million, of which the Company paid CDN $1,577,000 during the year ended March 31, 2023.

On August 26, 2021, the Company was served with a class action complaint in the United States District Court for the Central District of California against the Company, its former CEO and director, and its former President and director. The complaint alleges that the Company and the individual defendants violated ss. 10(b) and 20(a) of the Securities and Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaint was based on allegations relating the Company's disclosure documents regarding four acquisitions made by the Company in 2020 and related matters. The plaintiff was seeking an unspecified amount of damages for the proposed class.

On April 13, 2022, the Company announced that it had reached an agreement in principle (the "US Settlement") to settle claims alleged in a securities class action ("US Class Action") pending against the Company and certain of its former officers filed in the United States District Court for the Central District of California in April, 2021. During the year ended March 31, 2022 the Company recorded $1,349,600 as provision for litigation within accrued liabilities. During the year ended March 31, 2023, the Company paid USD$1,000,000 to settle the US Class Action and recognized a loss of $64,560 equal to the difference between the provision for settlement accrued and the actual amount paid to settle the claims.

On February 28, 2023, the Company received final court approval to settle claims alleged in a securities class action (the "US Class Action") against the Company and certain of its former officers filed in the United States District Court for the Central District of California in April 2021. The Company paid US$1,000,000 to settle the US Class Action. The Company had earlier announced the settlement of the class action lawsuit filed in May 2021 in the Supreme Court of British Columbia against the Company, its chief executive officer, certain of its former officers, a shareholder, and underwriters. The total cost to the Company to settle both class actions is approximately $1.36 million, net of insurance payments. Upon the receipt of US Settlement court approval, in February 2023, both class actions have been dismissed against all defendants, including the Company and its officers.

17. Income tax

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	March 31, 2023 $	March 31, 2022 $
Loss before income taxes	(13,287,586)	(12,179,358)
Combined statutory rate	25.88%	27.00%
Expected income tax recovery	(3,438,082)	(3,288,427)
Deductible issuance costs	(82,226)	(159,466)
Non-deductibles expenses	1,373,817	687,347
Increase in unrecognized deferred taxes	2,000,609	2,715,279
Deferred income tax recovery	(145,882)	(45,267)

Details of unrecognized deferred tax assets are as follows:

	March 31, 2023 $	March 31, 2022 $
Deferred income tax assets:		
Share issuance costs	246,679	328,905
Temporary difference of intangible asset	253,640	-
Non-capital losses carried forward	6,741,016	4,911,822
Total deferred income tax assets	7,241,335	5,240,727
Less: unrecognized deferred tax assets	(7,241,335)	(5,240,727)
Deferred income tax assets	-	-

The non-capital losses totaling $25,252,056, expiring from 2040 to 2043, may be carried forward to apply against future years income tax for Canadian purposes. Tax attributes are subject to revision, and potential adjustment by tax authorities.

The Company also recognized a deferred tax liability of $94,207 (2022 - $240,089) for the temporary differences of the license acquired from CRTCE acquisition.