

NETRAMARK HOLDINGS INC. (FORMERLY NUROSENE HEALTH INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023, AND SEPTEMBER 30, 2022
(In Canadian Dollars)

To the Shareholders of Netramark Holdings Inc. (formerly, Nurosene Health Inc.):

Opinion

We have audited the consolidated financial statements of Netramark Holdings Inc. (formerly, Nurosene Health Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and September 30, 2022, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023 and September 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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 describes matters and conditions of 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.

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

Impairment of Goodwill and Intangible Assets

Key Audit Matter Description

Impairment Analysis of Goodwill and Long-Lived Assets

We draw attention to Notes 4 and 7 to the consolidated financial statements. The Company has recorded an impairment charge to intangible assets and goodwill, of \$1,905,043 and \$6,405,361 respectively. The Company performs impairment testing for goodwill and long-lived assets on an annual basis or more frequently when there is an indication of impairment. An impairment is recognized if the carrying amount of an asset, or its cash generating unit (CGU), exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. In determining the estimated recoverable amounts using a discounted cash flow model, the Company's significant assumptions include future cash flows based on expected operating results, long-term growth rates and the discount rate. We considered this a key audit matter due to the significant judgment made by management in estimating the recoverable amount for goodwill and long-lived assets and a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's estimates. This resulted in an increased extent of audit effort, including the involvement of internal valuation specialists.

Audit Response

We responded to this matter by performing audit procedures relating to testing of impairment of goodwill and intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Tested management's key assumptions, including a 'retrospective review' to compare management's assumptions in prior year expected future cash flows to the actual results to assess the Company's budgeting process.
- Evaluated the reasonableness of key assumptions in the impairment model, including future cash flows based on expected operating results, long-term growth rates and the discount rate.
- Tested the mathematical accuracy of management's impairment model and supporting calculations.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the impairment assessment in the notes to the consolidated financial statements.
- With the assistance of internal valuation specialists, evaluated the reasonableness of the Company's impairment model, which included:
 - Evaluating the reasonableness of the discount rates by comparing the Company's weighted average cost of capital against publicly available market data;
 - Developing a range of independent estimates and comparing those to the discount rate selected by management; and,
 - Performing a sensitivity analysis by developing a range of independent estimates of growth rates and weighted average cost of capital.

Other Information

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting 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 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.

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

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

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 Robert James Ripley.

MNP LLP

Toronto, Ontario
January 26, 2024

Chartered Professional Accountants
Licensed Public Accountants

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Consolidated Statements of Financial Position**

(Expressed in Canadian dollars)

As at September 30, 2023

	Note	September 30, 2023	September 30, 2022
		\$	\$
Assets			
Current Assets			
Cash		1,776,570	10,092
Accounts Receivable		-	8,432
Prepaid Expenses		46,577	8,162
Other Receivables	5	81,729	245,181
Short Term Investments	6	5,000	5,000
Total Current Assets		1,909,876	276,867
Non-Current Assets			
Intangibles	7	-	2,515,531
Goodwill	4	-	6,405,361
Total Non-Current Assets		-	8,920,892
Total Assets		1,909,876	9,197,759
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		801,381	1,064,150
Deferred Revenue	8	23,029	23,029
Total Current Liabilities		824,410	1,087,179
Total Liabilities		824,410	1,087,179
Shareholders' Equity			
Share Capital	9	28,815,881	24,249,313
Contributed Surplus	9	5,263,143	2,685,753
Accumulated Deficit		(32,993,558)	(18,824,486)
Total Shareholders' Equity		1,085,466	8,110,580
Total Liabilities and Shareholders' Equity		1,909,876	9,197,759

Nature of operations and going concern (note 1)

Subsequent events (note 15)

Approved and authorized for issue by the Board of Directors on January 26, 2024.

"Kevin Taylor"

Director

"Andrew Parks"

Director

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

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the Years Ended September 30, 2023 and September 30, 2022

	Note	Year Ended	
		September 30, 2023	September 30, 2022
		\$	\$
Revenue			
Sales Revenue		89,267	113,031
Total Revenue		89,267	113,031
Expenses			
Sales, General and Administrative	10	4,019,539	6,201,471
Share-Based Compensation	9	1,428,108	1,246,689
Impairment of Intangible Assets	7	1,905,043	1,734,815
Impairment of Goodwill	4	6,405,361	4,028,953
Depreciation and Amortization	7	610,488	596,905
Total Expenses		14,368,539	13,808,833
Other Income	9	110,200	-
(Loss) from operations before income taxes		(14,169,072)	(13,695,802)
Deferred Income Tax Recovery	12	-	248,123
Net (Loss) and Comprehensive (Loss)		(14,169,072)	(13,447,679)
Net (Loss) Per Share – Basic and Diluted		(0.28)	(0.34)
Weighted Average Number of Shares Outstanding – Basic and Diluted		49,673,404	39,515,473

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

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

For the Years Ended September 30, 2023 and September 30, 2022

	Note	Number of Shares	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
		#	\$	\$	\$	\$
Balance, September 30, 2021		33,771,611	11,754,122	1,566,466	(5,376,807)	7,943,781
Issuance of Common Shares, for acquisition	9,4	6,148,325	11,066,985	-	-	11,066,985
Issuance of Common Share for Services	9	933,924	609,228	-	-	609,228
Issuance of Common Shares, Private Placement, Net of expenses	9	1,487,500	472,222	102,863	-	575,085
Issuances of Common Shares on Exercise of Finders' Warrants	9	133,602	197,623	(81,132)	-	116,491
Issuance of Common Shares on Cashless Options Exercise	9	21,140	74,133	(74,133)	-	-
Issuance of Common Shares on Exercise of Restricted Shares Units	9	25,000	75,000	(75,000)	-	-
Share Based Compensation	9	-	-	1,246,689	-	1,246,689
Net loss for the year		-	-	-	(13,447,679)	(13,447,679)
Balance, September 30, 2022		42,521,102	24,249,313	2,685,753	(18,824,486)	8,110,580
Issuance of Common Share for Services	9	3,733,201	1,120,196	-	-	1,120,196
Issuance of Common Share, Debt Settlement	9	890,000	245,400	-	-	245,400
Issuance of Common Shares, Private Placement, Net of expenses	9	17,371,822	2,673,355	1,298,535	-	3,971,890
Issuances of Common Shares on Exercise of Warrants	9	443,750	229,657	(44,657)	-	185,000
Issuance of Common Shares on Exercise of Restricted Shares Units	9	678,000	297,960	(297,960)	-	-
Issuance of Warrants for Services	9	-	-	193,364	-	193,364
Share Based Compensation	9	-	-	1,428,108	-	1,428,108
Net loss for the year		-	-	-	(14,169,072)	(14,169,072)
Balance, September 30, 2023		65,637,875	28,815,881	5,263,143	(32,993,558)	1,085,466

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

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)
Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)

For the Years Ended September 30, 2023 and September 30, 2022

	Note	September 30, 2023 \$	September 30, 2022 \$
Cash Flow from Operating Activities			
Net Loss and Comprehensive Loss for the Year		(14,169,072)	(13,447,679)
Items not affecting cash:			
Issuance of Shares for Services	9, 10	1,120,196	609,228
Issuance of Warrants for Services	9	193,364	-
Gain on Debt Settlement	9	(110,200)	-
Depreciation and Amortization	7	610,488	596,905
Share-Based Compensation	9	1,428,108	1,246,689
Impairment of Intangible Assets	7	1,905,043	1,734,815
Impairment of Goodwill	4	6,405,361	4,028,953
Deferred Income Tax	12	-	(248,123)
Changes in non-cash working capital items:			
Prepaid expenses		(38,415)	138,392
Accounts Receivables		8,432	(8,432)
Other Receivables		163,452	102,474
Accounts Payable and Accrued Liabilities		92,831	445,601
Deferred Revenue	8	-	23,029
Cash Flow used in Operating Activities		(2,390,412)	(4,778,148)
Cash Flow from Investing Activities			
Payment for NetraMark acquisition, Net	4	-	(2,071,957)
Increase in Intangible Assets	7	-	(152,494)
Cash-out of GIC		-	35,000
Cash Flow used in Investing Activities		-	(2,189,451)
Cash Flow from Financing Activities			
Proceeds from Issuance of Common Shares, Net	9	3,971,890	575,085
Issuance of Common Shares on exercise of Warrants	9	185,000	116,491
Cash Flow from Financing Activities		4,156,890	691,576
Change in Cash		1,766,478	(6,276,023)
Cash, Beginning of Year		10,092	6,286,115
Cash, End of Year		1,776,570	10,092

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

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

1. Nature of Operations and Going Concern

NetraMark Holdings Inc. (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on May 8, 2019, under the name "2695174 Ontario Inc.". On June 19, 2020, the Company changed its name from "2695174 Ontario Inc." to "Nurosene Inc.". On March 26, 2021, the Company completed a continuance from the *Business Corporations Act* (Ontario) to the *Business Corporations Act* (British Columbia). In connection with the continuance, the Company changed its name to "NetraMark Holdings Inc." on February 1, 2023.

The Company's head office is located at 1655 Dupont Street, Suite 101, Toronto, Ontario M6P 3T1 and its registered office is located at 500 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments 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 and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has begun to generate revenues, however, it is expected that additional capital investment will be required to continue to build the revenue pipeline. The Company's ability to generate revenues and potential to become profitable will depend largely on the ability to develop and market products and services. These consolidated financial statements have been prepared on a basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company incurred a net loss of \$14,169,072 (2022 - \$13,447,679) during the year ended September 30, 2023, and, as at that date, had working capital of \$1,085,465 (2022 - \$810,312 negative working capital) and a cumulative deficit of \$32,993,558 (2022 - \$18,824,486). There can be no assurance that any such events will occur or that the Company will ever become profitable.

Additional Financing

To date, the Company has no significant source of revenue to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing and may dilute the value of their investment.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

1. Nature of Operations and Going Concern (continued)

Uncertainty of Additional Capital

The Company anticipates expending substantial funds to carry out the development, distribution and development of its products. The Company has been successful in raising funds from the issuance of shares (note 9). Therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern. There can be no assurances that the Company will be able to secure the necessary financing to enable it to continue as a going concern. The factors noted above indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. If the going concern basis is not appropriate, material adjustments may be necessary to the carrying amounts and/or classification of assets and liabilities.

2. Basis of Presentation

(a) Statement of compliance

These consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented.

(b) Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

(c) Basis of consolidation

These consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiaries. Subsidiaries are those entities the Company controls by having power to, directly or indirectly, govern their financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date control ceases. Intercompany transactions, balances, income and expenses, and profit and losses are eliminated upon consolidation.

(d) Functional and presentation currency

The Company's functional currency, as determined by management, is the Canadian dollar. These consolidated financial statements are presented in Canadian dollars.

(e) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

2. Basis of Presentation (continued)

(e) Use of estimates and judgements (continued)

Management has applied significant estimates and assumptions related to the following:

Fair value of stock options, restricted share units and warrants

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options, and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options, the risk-free rate, and the volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data.

Impairment test for goodwill and intangibles

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is assessed annually for impairment. To determine the impairment of goodwill, the management has applied discount rate to future cash flows to calculate the recoverable amounts of cash generating units.

Determination of a Cash Generating Unit (CGU)

Management's judgment is required in determining the Company's CGUs for the impairment assessment of its goodwill and intangible assets. The CGUs have been determined considering level of operating activities and independent cash flows generated from groups of assets. Management determined the smallest identifiable group of assets that independently generates cash inflows and whose cash flow is largely independent of the cash inflows from other assets or groups of assets is the entire company.

Amortization of intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Intangible assets are carried at cost less any accumulated amortization on a straight-line basis over 5 years. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis. These assets are subject to impairment testing as described above.

Business Combinations

The acquisition method of accounting is used to account for the purchase of subsidiaries by the Company. The cost of the acquisition is the aggregate of the consideration transferred, measured at the acquisition date, and the amount of any non-controlling interest in the acquiree. The company elects to measure the fair value of the purchase consideration and the identifiable intangible assets upon the business combination.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

2. Basis of Presentation (continued)

(e) Use of estimates and judgements (continued)

Share-Based Payments

In situations where equity instruments are issued to non-employees, shares issued are recognized at the fair value of services or goods received by the entity. In situations where some or all of the goods or services received by the entity as consideration cannot be estimated reliably, they are measured at the fair value of the equity instrument granted. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

Going Concern

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due (see note 1).

3. Significant Accounting Policies

A summary of the significant accounting policies, which have been applied consistently to all periods presented in the accompanying financial statements are set out below:

Cash

Cash in the statement of financial position is comprised of cash held at a major Canadian financial institution. As at September 30, 2023, all the cash on hand was held at a major financial institution.

Revenue Recognition

Revenue is recognized to depict the transfer of goods or services in an amount that reflects the consideration to which the entity expects to be entitled following five steps:

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

Revenue may be earned over time as the performance obligations are satisfied or at a point in time which is when the entity has earned a right to payment, the customer has possession of the asset and the related significant risks and rewards of ownership, and the customer has accepted the asset or service.

Revenue from services provided to customers for a fixed price is recognized when all the performance obligations in the contracts. In cases when the Company received deposits upon signing the contracts, those amounts are recorded as deferred revenue until such times that the obligations are met, and the revenue can be recognized.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

3. Significant Accounting Policies (continued)

Intangible Assets

Expenditure on research activities is recognised in profit or loss as incurred.

The Company recognizes Intangible Assets as per IAS 38. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Financial instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVOCI)

The classification under IFRS 9 is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cashflows and for which those cashflows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

3. Significant Accounting Policies (continued)

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the statement of loss and comprehensive loss. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

3. Significant Accounting Policies (continued)

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the statement of loss and comprehensive loss.

Financial liabilities – The Company derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the statement of loss and comprehensive loss.

Loss per common share, basic and diluted

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings (loss) per share is calculated by dividing earnings (loss) attributable to equity shareholders by the weighted average number of common shares outstanding during the year. Common shares escrowed are excluded from the number of outstanding common shares. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares for the dilutive effect of stock options, and warrants using the treasury stock method. Common shares escrowed are excluded from the number of outstanding common shares. Under this method, stock options or warrants, whose exercise price is less than the average market price of the Corporation's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the year. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings (loss) per share. Any inputs to the diluted earnings (loss) per share that are anti-dilutive are excluded from the earnings (loss) per share calculation.

Income taxes

Income taxes are comprised of current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case the income tax is also recognized directly in shareholders' equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current. Stock-based compensation and issuance of stock for non-cash consideration.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

3. Significant Accounting Policies (continued)

Derecognition (continued)

Share-based compensation

The Company records share-based compensation related to employee, director and consultant stock options granted using the estimated fair value of the options at the date of grant. The estimated fair value is expensed as employee benefits over the period in which employees unconditionally become entitled to the award. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related services and non-market performance conditions at the vesting date. The corresponding charge is to contributed surplus. Any consideration paid on the exercise of stock options is credited to common shares.

The Company estimates the fair value of stock options granted using the Black-Scholes valuation model. This model requires the Company to make estimates and assumptions including, among other things, estimates regarding the length of time an employee, director or consultant will retain vested stock options before exercising them, the estimated volatility of the Company's common share price and the number of options that will be forfeited prior to vesting. Changes in these estimates and assumptions can materially affect the determination of the fair value of stock-based compensation and consequently, the related amount recognized in the Company's statements of loss and comprehensive loss.

For equity-settled share-based payment transactions, the Company measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of goods and services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it measures their value by reference to the fair value of the equity instrument granted.

Standards issued but not yet effective for the year ended September 30, 2023:

The IASB and the IFRIC have issued the following new and revised standards and interpretations that are not yet effective for the relevant reporting periods and the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the Consolidated Financial Statements of the company. The Company intends to adopt these standards, if applicable, when the standards become effective:

- (a) Effective for annual periods beginning on or after January 1, 2023, the Company will adopt amendments to IAS 1, 'Presentation of financial statements'. The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- (b) Effective for annual periods beginning on or after January 1, 2023, the Company will adopt amendments to IAS 12, 'Income taxes'. The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

3. Significant Accounting Policies (continued)

Conceptual Framework

The Company adopted the revised Conceptual Framework for Financial Reporting ("revised conceptual framework"). The revised conceptual framework does not constitute a substantial revision from the previously effective guidance but does provide additional guidance on topics not previously covered such as presentation and disclosure. The adoption of the revised conceptual framework did not have a material impact on the consolidated financial statements.

Definition of a Business

The Company adopted the IASB amendment regarding the definition of a business under IFRS 3 Business Combinations. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

4. Business Acquisition and Goodwill

(a) Acquisition of NetraMark Corp

On October 13, 2021, the Company acquired all of the issued and outstanding securities of NetraMark Corp., a privately held company, for a purchase price of \$13,138,942 paid as follows to shareholders of NetraMark:

- (i) The issuance of 6,148,325 common shares of the Company for a fair value of the acquisition date of \$1.80 per share or \$11,066,985.
- (ii) \$2,071,957 in cash

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3, Business Combinations on October 13, 2021, whereby the assets acquired, and the liabilities assumed were recorded at their fair values.

The excess of the consideration paid over the fair value of the identifiable assets (liabilities) acquired was recognised as goodwill which primarily provides the Company to provide solutions to the pharmaceutical industry to help address the very low rate of success in getting candidate medicines, that make it into Phase I clinical trials, through to commercialization and approval by the regulatory bodies.

The transaction costs of the acquisition was \$534,203 for the year ended September 30, 2022.

This acquisition has contributed \$113,031 in revenue for company for the year ended September 30, 2022

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

4. Business Acquisition and Goodwill (continued)*(a) Acquisition of NetraMark Corp (continued)*

The following represents the allocation of the purchase price:

Purchase Price Allocated to:	\$
Net tangible assets (liabilities)	(159,685)
Intangible assets – NetraMark technology	3,112,436
Goodwill	10,434,314
Deferred tax liability	(248,123)
Total Consideration Paid	13,138,942

(b) Goodwill

In accordance with the requirements of IAS 36, the CGU with goodwill was tested for impairment as at September 30, 2023 and 2022. The Company calculated value in use (VIU) using a discounted cash flow method that projects future cash flows over a 5-year period. Revenue and cash flow assumptions were based on a combination of past results and expectations of future growth throughout a business cycle. These cash flows were then discounted using a weighted average cost of capital of 35% (2022 – 32%), growth rate between 2% and 150% (2022 – 3% and 485%) and terminal growth rate of 2% (2022 – 3%). This resulted in goodwill impairment of \$4,028,953 in 2022 and \$6,405,361 in 2023:

Goodwill	\$
Balance, September 2021	-
Additions	10,434,314
Impairment	(4,028,953)
Balance, September 30, 2022	6,405,361
Additions	-
Impairment	(6,405,361)
Balance, September 30, 2023	-

5. Other Receivables

As at September 30, 2023, the Company holds \$81,729 (2022 – \$245,181) in other receivables comprised of GST/HST receivables.

6. Short-Term Investments

On August 25, 2023, the company signed up for a GIC for \$5,000 for 1 year at a rate of 3% per year.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022**7. Intangible Assets**

Intangible Assets	Capitalized Development Costs \$	Acquired Technology \$	Total \$
Balance, September 2021	1,582,321	-	1,582,321
Additions	152,494	-	152,494
Additions through business combinations (Notes 4)	-	3,112,436	3,112,436
Impairment	(1,734,815)	-	(1,734,815)
Amortization	-	(596,905)	(596,905)
Balance, September 30, 2022	-	2,515,531	2,515,531
Amortization	-	(610,488)	(610,488)
Impairment (Note 3)	-	(1,905,043)	(1,905,043)
Balance, September 30, 2023	-	-	-

During the year ended September 30, 2022, the Company has assessed the commercial feasibility of previously capitalized development costs of the mobile application as well as the intangible assets resulting from the business acquisition of NetraMark Corp. As a result of management's decision to discontinue development and support for the mobile application during the year ended September 30, 2022, the remaining balance of the Capitalized Development Costs associated with the mobile application was determined to be fully impaired.

During the year ended September 30, 2023, the Company has assessed the commercial feasibility of the intangible assets resulting from the business acquisition of NetraMark Corp. as part of the goodwill impairment test. As a result of this assessment, management has determined the balance of acquired intangible assets to be fully impaired.

8. Deferred Revenue

As at September 30, 2023 the Company held \$23,029 (2022 - \$23,029) as a result of signing contracts with customers.

9. Shareholders' EquityAuthorized share capital

The Company is authorized to issue an unlimited number of common shares.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022**9. Shareholders' Equity (continued)**Outstanding share capital

As at September 30, 2023, the Company's outstanding share capital is entirely composed of common shares.

		Number of Shares #	Amount \$
Balance, September 30, 2021		33,771,611	11,754,122
Issuance of Common Shares, NetraMark Purchase	Note 4	6,148,325	11,066,985
Issuance of Common Shares at for services	(a)	933,924	609,228
Issuance of Common Shares, Exercise of Options	(b)	21,140	74,133
Issuance of Common Shares, Exercise of RSU	(c)	25,000	75,000
Issuance of Common Shares, Exercise of Warrants	(d)	133,602	197,623
Issuance of common shares, Private Placement, Net	(e)	1,487,500	472,222
Balance, September 30, 2022		42,521,102	24,249,313
Issuance of Common Shares for services	(a)	3,733,201	1,120,196
Issuance of Common Shares, Exercise of RSU	(c)	678,000	297,960
Issuance of Common Shares, Exercise of Warrants	(d)	443,750	229,657
Issuance of common shares, Private Placement, Net	(e)	17,371,822	2,673,355
Issuance of Common Shares, Debt Settlement	(f)	890,000	245,400
Balance, September 30, 2023		65,637,875	28,815,881

(a) Shares issued for services

During the year ended September 30, 2023, the Company issued 3,733,201 common shares to management, valued at the share price on the date of issuance:

- On October 31, 2022, the Company issued 211,960 common shares valued at \$0.34 per share.
- On October 31, 2022, the Company issued 500,000 common shares valued at \$0.32 per share.
- On November 30, 2022, the Company issued 399,471 common shares valued at \$0.18 per share.
- On December 31, 2022, the Company issued 422,094 common shares valued at \$0.17 per share.
- On January 31, 2023, the Company issued 214,949 common shares valued at \$0.33 per share.
- On February 28, 2023, the Company issued 140,946 common shares valued at \$0.51 per share.
- On March 31, 2023, the Company issued 152,569 common shares valued at \$0.47 per share.
- On April 30, 2023, the Company issued 143,808 common shares valued at \$0.50 per share.
- On May 31, 2023, the Company issued 186,992 common shares valued at \$0.385 per share.
- On June 30, 2023, the Company issued 277,555 common shares valued at \$0.29 per share.
- On June 30, 2023, the company issued 200,000 common shares valued at \$0.29 per share.
- On July 31, 2023, the Company issued 333,433 common shares valued at \$0.245 per share.
- On August 31, 2023, the Company issued 319,296 common shares valued at \$0.26 per share.
- On September 30, 2023, the Company issued 230,128 common shares valued at \$0.36 per share.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

9. Shareholders' Equity (continued)(a) Shares issued for services (continued)

During the ended September 30, 2022, the Company issued 933,924 common shares to management, valued at the share price on the date of issuance:

- On October 14, 2021, the Company issued 215,311 common shares valued at \$1.77 per share for services performed in relation to the NetraMark acquisition (Note 4).
- On July 29, 2022, the Company issued 84,531 common shares valued at \$0.35 per share
- On August 24, 2022, the Company issued 132,666 common shares valued at \$0.44 per share
- On August 31, 2022, the Company issued 211,539 common shares valued at \$0.32 per share
- On September 30, 2022, the Company issued 289,877 common shares valued at \$0.25 per share

(b) Stock options

Under the Company's stock option plan (the "Plan"), the Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company and its subsidiaries not to exceed in the aggregate 15% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. An option shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

A summary of changes in the Company's options for the years ended September 30, 2023 and 2022 is as follows:

	Number of options #	Weighted average exercise price \$
Balance, September 30, 2021	2,831,000	1.20
Granted	3,475,000	0.76
Exercised	(51,333)	0.90
Forfeited	(2,733,667)	1.37
Balance, September 30, 2022	3,521,000	0.65
Granted	1,570,000	0.38
Forfeited	(20,000)	0.70
Balance, September 30, 2023	5,071,000	0.57

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022**9. Shareholders' Equity (continued)****(b) Stock options (continued)**

The following table summarizes information about the Company's stock options outstanding at September 30, 2023 and 2022:

Grant date	Exercise Price (\$)	September 30, 2023			September 30, 2022		
		Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable	Weighted average remaining life (years)	Number of options outstanding	Number of options exercisable
June 8, 2021	0.90	2.66	210,000	210,000	3.66	210,000	210,000
June 9, 2021	0.90	2.69	676,000	676,000	3.74	676,000	370,000
September 6, 2021	1.69	7.94	70,000	70,000	8.94	70,000	70,000
April 13, 2022	0.70	3.54	150,000	93,750	4.54	150,000	18,750
April 22, 2022	0.70	3.56	875,000	755,000	4.56	875,000	109,375
July 13, 2022	0.40	3.79	500,000	500,000	4.79	500,000	-
July 18, 2022	0.52	3.80	200,000	200,000	4.93	200,000	-
July 18, 2022	0.70	3.80	20,000	10,000	4.93	40,000	-
July 20, 2022	0.41	3.81	350,000	350,000	4.81	350,000	-
August 8, 2022	0.40	3.86	100,000	50,000	4.88	100,000	-
August 15, 2022	0.41	3.88	350,000	350,000	4.88	350,000	-
October 31, 2022	0.35	4.09	300,000	300,000	-	-	-
November 22, 2022	0.35	4.15	200,000	200,000	-	-	-
February 27, 2023	0.50	1.41	50,000	12,500	-	-	-
March 17, 2023	0.50	1.46	50,000	12,500	-	-	-
June 1, 2023	0.40	1.67	300,000	300,000	-	-	-
June 19, 2023	0.38	4.72	600,000	75,000	-	-	-
June 28, 2023	0.38	4.75	20,000	2,500	-	-	-
July 14, 2023	0.38	4.79	50,000	6,250	-	-	-
	0.57	3.60	5,071,000	4,229,750	4.97	3,521,000	778,125

During the year ended September 30, 2023, a share-based compensation expense of \$844,168 has been recognized in the consolidated statement of loss and comprehensive loss (2022 – \$928,942) in relation to the stock options.

During the year ended September 30, 2022, the Company granted 1,570,000 stock options (2022 – 3,475,000) with a weighted average fair value of \$0.20 per unit (2022 - \$0.54 per unit).

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022**9. Shareholders' Equity (continued)****(b) Stock options (continued)**

The fair value of the Company's stock options granted during the year were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	2023	2022
Volatility	75.25% - 123.67%	100% - 116%
Risk-free interest rate	3.26% - 4.26%	1.45% - 3.30%
Expected life (years)	2 – 5 years	2 – 5 years
Dividend yield	Nil	Nil
Forfeiture	Nil	Nil
Share price	\$0.21 - \$0.51	\$0.35 - \$1.80
Exercise price	\$0.35 - \$0.50	\$0.41 - \$1.95

During the year ended September 30, 2023, nil common shares were issued upon exercise of stock options (2022 - 21,140 common shares). Upon exercise of stock options, for the year ended September 30, 2023, \$nil (2022 - \$74,133) was transferred from contributed surplus to share capital in the consolidated statements of changes in shareholders' equity. Cash proceeds upon exercise of stock options during the year ended September 30, 2023, totalled \$nil (2022 - \$nil).

(c) Restricted Share Units

A summary of changes in the Company's Restricted Share Units for the years ended September 30, 2023 and 2022 is as follows:

	Number of Units Outstanding	Number of units Exercisable
Balance, September 30, 2021	50,000	-
Granted	900,000	
Exercised	(25,000)	
Forfeited	(25,000)	
Balance, September 30, 2022	900,000	111,250
Granted	1,950,000	
Exercised	(678,000)	
Balance, September 30, 2023	2,172,000	1,122,000

The Company issued 1,950,000 restricted share units to consultants of the Company as at September 30, 2023 (2022 – 900,000), with a weighted average aggregate fair value of \$0.32 per unit (2022 – \$0.57 per unit) determined using the share price on the grant date.

During the year ended September 30, 2023, a share-based compensation expense of \$583,940 has been recognized in the consolidated statement of loss and comprehensive loss (2022 – \$317,747) in relation to the restricted share units.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

9. Shareholders' Equity (continued)(c) Restricted Share Units (continued)

During the year ended September 30, 2023, 678,000 common shares were issued upon exercise of 678,000 restricted share units (2022 – 25,000). Upon exercise of restricted share units, \$297,960 (2022 - \$75,000) was transferred from contributed surplus to share capital in the consolidated statement of changes in shareholders' equity.

(d) Share Purchase Warrants

Each warrant entitles the holder to purchase one common share at a set price, at the option of the holder for a set period.

A summary of changes in the Company's warrants for the years ended September 30, 2023 and 2022 is as follows:

	Number of warrants #	Weighted average exercise price \$
Balance, September 30, 2021	707,636	0.79
Granted	743,750	0.60
Exercised	(133,602)	0.87
Expired	(65,764)	0.07
Balance, September 30, 2022	1,252,020	0.69
Granted	18,275,341	0.39
Exercised	(443,750)	0.42
Expired	(508,270)	0.83
Balance, September 30, 2023	18,575,341	0.40

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022**9. Shareholders' Equity (continued)****(d) Share Purchase Warrants (continued)**

The following table summarizes information about the Company's warrants outstanding at September 30, 2023 and 2022:

Grant date	Exercise Price (\$)	September 30, 2023			September 30, 2022		
		Weighted average remaining life (years)	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
October 1, 2020	0.40	-	-	-	0.01	76,100	76,100
June 8, 2021	0.90	-	-	-	0.69	432,170	432,170
June 8, 2022	0.60	0.69	681,250	681,250	1.69	743,750	743,750
October 13, 2022	0.40	2.04	2,766,650	2,766,650	-	-	-
October 31, 2022	0.35	2.09	1,160,000	1,160,000	-	-	-
October 31, 2022	0.40	2.09	319,930	319,930	-	-	-
March 24, 2023	0.65	1.48	1,055,310	1,055,310	-	-	-
June 9, 2023	0.50	2.69	1,351,351	1,351,351	-	-	-
June 14, 2023	0.50	2.71	700,850	700,850	-	-	-
September 19, 2023	0.35	1.97	10,540,000	10,540,000	-	-	-
	0.40	2.00	18,575,341	18,575,341	1.24	1,252,020	1,252,020

During the year ended September 30, 2022, the Company issued:

- a. 743,750 private placement warrants with an exercise price of \$0.60 per share expiring on June 8, 2024.

During the year ended September 30, 2023, the Company issued:

- a. 2,910,000 private placement warrants and 137,900 broker warrants with an exercise price of \$0.40 per share expiring on October 13, 2025
- b. 299,000 private placement warrants and 20,930 broker warrants with an exercise price of \$0.35 per share expiring on October 31, 2025
- c. 1,260,000 warrants issued for services with an exercise price of \$0.35 per share expiring on October 31, 2025
- d. 990,933 private placement warrants and 64,377 broker warrants with an exercise price of \$0.65 per share expiring on March 24, 2025
- e. 1,351,351 private placement warrants with an exercise price of \$0.50 per share expiring on June 9, 2026
- f. 655,000 private placement warrants and 45,850 broker units with an exercise price of \$0.50 per share expiring on June 14, 2026
- g. 10,000,000 private placement warrants and 540,000 broker units with an exercise price of \$0.35 per share expiring on September 19, 2025

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

9. Shareholders' Equity (continued)**(d) Share Purchase Warrants (continued)**

The fair value of the Company's private placement' warrants was estimated using the Black-Scholes option pricing model using the following assumption:

	2023	2022
Volatility	77.35% - 138.62%	100% - 102%
Risk-free interest rate	3.42% - 4.91%	3.1%
Expected life (years)	2-3 years	2 years
Dividend yield	Nil	Nil
Forfeiture	Nil	Nil
Share price	\$0.2- \$0.33	\$0.36

During the year ended September 30, 2023, 443,750 common shares were issued upon exercise of warrants (2022 – 133,602 common shares). Upon exercise of warrants, for the year ended September 30, 2023, \$44,657 (2022 - \$81,132) was transferred from contributed surplus to share capital in the consolidated statement of changes in shareholders' equity. Cash proceeds upon exercise of warrants during the year ended September 30, 2023, totalled \$185,000 (2022 - \$116,491).

(e) Private Placements

During the year ended September 30, 2022

On June 8, 2022, the Company issued 1,487,500 units of common shares valued at \$0.40 per unit through a private placement and 743,750 private placement warrants with an exercise price of \$0.60 per share expiring on June 8, 2024. \$102,863 was reclassified to warrants. The Company incurred \$19,915 of issue costs.

During the year ended September 30, 2023

Between October 13 to October 31, 2022, the Company issued 3,209,000 units of common shares valued at \$0.25 per unit through a private placement and 3,209,000 private placement warrants with an exercise price of \$0.40 per share expiring 3 years from the issuance date. In connection with the private placements, the Company issued 158,830 broker warrants with the same terms as the private placement warrants, valued at \$17,277 and incurred total issuance cost of \$73,845. Of the total net proceeds, \$220,772 was reclassified to Contributed Surplus.

On March 24, 2023, the Company issued 1,981,866 units of common shares valued at \$0.37 per unit through a private placement and 990,933 private placement warrants with an exercise price of \$0.65 per share expiring on March 24, 2025. In connection with the private placement, the Company issued 128,754 broker units which were each comprised of one common share of the Company and one-half of one common share purchase warrant. The warrants included in the broker units have the same terms as the private placement warrants. The broker warrants were valued at \$47,639 and the Company incurred a total issuance cost of \$106,379. Of the total net proceeds, \$165,648 was reclassified to Contributed Surplus.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

9. Shareholders' Equity (continued)**(e) Private Placements (continued)**

Between June 9 and June 14, 2023, the Company issued 2,006,351 units of common shares valued at \$0.37 per unit through a private placement and 2,006,351 private placement warrants with an exercise price of \$0.50 per share expiring 3 years from the issuance date. In connection with the private placement, the Company issued 45,850 broker units which were each comprised of one common share of the Company and one common share purchase warrant. The warrants included in the broker units have the same terms as the private placement warrants. The broker warrants were valued at \$16,965 and the Company incurred a total issuance cost of \$57,630. Of the total net proceeds, \$204,329 was reclassified to Contributed Surplus.

On September 19, 2023, the Company issued 10,000,000 units of common shares valued at \$0.20 per unit through a private placement and 10,000,000 private placement warrants with an exercise price of \$0.35 per share expiring on September 19, 2025. In connection with the private placement, the Company issued 540,000 broker warrants with the same terms as the private placement warrants, valued at \$108,753, and incurred total issuance cost of \$258,781. Of the total net proceeds, \$707,786 was reclassified to Contributed Surplus.

(f) Debt Settlements

During the year ended September 30, 2023, the Company issued 890,000 common shares and paid cash of \$42,952 to settle debts of \$398,552. The shares issued were valued using the Company's stock price at the date of share issuance. The settlement of debts resulted in a gain on settlement of \$110,200.

10. Sales, General and Administrative

Item	Year Ended	
	September 30, 2023	September 30, 2022
	\$	\$
Advertising and Promotion	502,697	1,177,930
Consulting fees	2,010,662	2,334,092
Professional fees	207,982	424,710
Office and miscellaneous	473,831	725,528
Payroll	824,367	1,539,211
Total	4,019,539	6,201,471

Sales, general and administrative expenses consisted primarily of advertising and promotion expenditure, consulting fees and payroll expenses during the year ended September 30, 2023. The company issued 3,733,201 common shares for a total compensation of \$1,120,196 for services (2022 - \$609,228).

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

11. Related Party Transactions

Key management includes directors and officers of the Company.

A total of 3,733,201 common shares were issued to key management for a total compensation of \$1,120,196 during the year ended September 30, 2023 (2022 - \$169,748).

A total of \$550,000 in total cash compensation was issued to key management during the year ended September 30, 2023 (2022 - \$1,062,262).

12. Income Tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 - 26.5%) to the effective tax rate is as follows:

	2023	2022
	\$	\$
Loss before income taxes	(14,169,072)	(13,695,802)
Combined federal and provincial tax rate	26.5%	26.5%
Expected income tax recovery	(3,754,804)	(3,629,388)
Goodwill impairment	1,697,421	1,068,906
Share based compensation	378,449	330,373
Share issuance costs booked directly to equity	(131,609)	-
Professional services settled in shares	109,009	-
Book to filling adjustment	-	(19,049)
Taxable benefit not recognized	1,689,223	1,877,620
Others	12,311	123,415
Income tax expense (recovery)	-	(248,123)

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

12. Income Tax (continued)**Unrecognized deferred tax assets:**

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
	\$	\$
Property, plant and equipment	28,993	31,787
SR&ED Pool from T661	741,043	371,744
Investment tax credits	64,891	64,891
Non-capital loss carry forward	17,168,303	11,125,653
Share issuance costs and other	1,024,829	947,849
Total	19,028,059	12,542,924

Deferred Tax

The following table summarizes the components of deferred tax:

	2023	2022
	\$	\$
Deferred Tax Assets		
Beginning Balance	-	-
Non-capital losses carried forward	-	568,751
SR&ED Pool from T661	-	97,864
Deferred Tax Liabilities		
Intangible Assets	-	(666,616)
Net deferred tax assets	-	-

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)**Notes to the Consolidated Financial Statements**

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

12. Income Tax (continued)

Movement in net deferred tax liabilities:

	2023	2022
	\$	\$
Beginning Balance		-
Recognized in profit/loss	-	248,123
Recognized in goodwill	-	(248,123)
Ending Balance	-	-

The Canadian non-capital loss carry forwards expire as noted in the table below.

Share issue and financing costs will be fully amortized in 2027. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses, expire as follows:

Years	\$
2036	136,262
2037	350,973
2038	173,313
2039	663,961
2040	1,348,120
2041	2,937,072
2042	7,658,801
2043	3,899,801
	17,168,303

13. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position 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, comprised of issued common shares, contributed surplus and accumulated deficit. 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 administrative expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through offerings of common shares.

There have been no changes to the Company's objectives and what it manages as capital since inception. The Company is not subject to externally imposed capital requirements.

NetraMark Holdings Inc. (Formerly Nurosene Health Inc.)

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the Years Ended September 30, 2023 and September 30, 2022

14. Financial Instruments and Risk Management

Financial Instruments

The Company has classified its cash as fair value through profit and loss ("FVTPL"). Other receivables have been classified as loans and receivables. Accounts payable and accrued liabilities have been classified as other financial liabilities.

The carrying values of cash, other receivables and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company's cash is held at a major financial institution and lawyer's trust accounts. The Company's receivables are due from the CRA for HST/GST refunds. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

(b) Liquidity risk

The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. All of the Company's financial liabilities are due within one year.

15. Subsequent Events

Subsequent to the year-end, the Company has issued shares for consulting services as follows:

On October 31, 2023, the Company issued 234,224 common shares for a total compensation of \$84,321 for services to various consultants of the company.

On November 30, 2023, the Company issued 237,897 common shares for a total compensation of \$83,258 for services to various consultants of the company.

On December 31, 2023, the Company issued 233,154 common shares for a total compensation of \$81,604 for services to various consultants of the company.