GENIX PHARMACEUTICALS CORPORATION

Financial Statements

For the Years ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Genix Pharmaceuticals Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Genix Pharmaceuticals Corporation (the "Company"), which comprise the statements of financial position as at October 31, 2023 and October 31, 2022, and the statements of comprehensive loss, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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 for the current year. 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

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 report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

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.

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

Buckley Dodds

Vancouver, British Columbia
February 26, 2024

Buckley Dodds CPA
Chartered Professional Accountants

GENIX PHARMACEUTICALS CORPORATION
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	October 31, 2023	October 31, 2022
Assets			
Current assets			
Cash		$ **11,631**	$ 9,267
Receivables		**1,407**	16,500
Prepaid expense		**43,403**	43,230
Inventory	4	**159,113**	171,321
		215,554	240,318
Non-current assets			
Intellectual property	5	**5**	3,999,436
Website	7	**7,902**	9,034
Right of use asset	6	**-**	3,732
		$ **223,461**	$ 4,252,520
Liabilities and Equity (Deficiency)			
Current liabilities			
Trade and other payables	8	$ **269,054**	$ 234,942
Loans from shareholders	9	**511,525**	177,626
Lease liability - current portion	10	**-**	4,877
Obligation - current portion	5	**580,243**	636,072
		1,360,822	1,053,517
Equity			
Share capital	12	**9,700,762**	9,700,762
Warrants reserve	12	**12,730**	12,730
Share options reserve	12	**1,279,850**	1,220,640
Accumulated deficit		**(12,130,703)**	(7,735,129)
		(1,137,361)	3,199,003
		$ **223,461**	$ 4,252,520

Corporate Information and Nature and Continuance of Operations (Note 1)
Subsequent Event (Note 17)

Approved by the Board of Directors on February 26, 2024

Paul Chow *Kevin Bottomley*

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

GENIX PHARMACEUTICALS CORPORATION
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Year ended October 31, 2023	2022
Sales			
Nutraceuticals		$ **12,347**	$ -
Total Sales		**12,347**	-
Cost of Goods Sold			
Nutraceuticals		**9,084**	
Total Cost of Goods Sold		**9,084**	-
Gross Profit		$ **3,263**	$ -
Operating expenses			
Amortization	5,7	$ **543,688**	$ 543,605
Bank charges and interest expense		**1,306**	1,386
Consulting and management fees	10	**127,726**	117,413
Depreciation	6	**3,732**	20,568
Insurance		**51,815**	20,652
Interest expense	9,10	**1,699**	2,243
Investor relations		**370**	1,153
Marketing		**4,797**	1,934
Office and miscellaneous		**8,839**	8,936
Professional fees	11	**25,328**	23,532
Regulatory		**45,370**	29,079
Rent		**9,952**	2,968
Stock based compensation	12	**59,210**	258,825
Transfer agent		**3,330**	2,551
		$ **887,162**	$ 1,034,845
Loss before other items		**(883,899)**	(1,034,845)
Other items			
Impairment of intellectual property		**(3,456,875)**	-
Foreign exchange gain (loss)		**(5,875)**	(30,797)
Interest on shareholder loans		**(49,279)**	(8,504)
Interest income		**354**	148
		(3,511,675)	(39,153)
Comprehensive and net loss for the year		$ **(4,395,574)**	$ (1,073,998)
Basic and diluted loss per share			
Comprehensive and net loss for the year		**(0.07)**	(0.02)
Weighted average common shares outstanding		**59,224,131**	59,224,131

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

GENIX PHARMACEUTICALS CORPORATION
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended October 31,	
	2023	2022
Operating activities		
Net loss for the year	**$ (4,395,574)**	$ (1,073,998)
Items not affecting cash and cash equivalents		
Amortization	**543,688**	543,605
Depreciation	**3,732**	20,568
Share based payments	**59,210**	258,825
Interest on office lease	**123**	105
Interest on shareholder loans	**49,279**	8,504
Impairment of intellectual property	**3,456,875**	-
Foreign exchange on obligation	**5,753**	28,486
Changes in non-cash working capital		
Receivables	**15,093**	(11,630)
Prepaids	**(173)**	(3,543)
Inventory	**12,208**	(166,486)
Accounts payable and accrued liabilities	**29,112**	175,986
Total cash outflows from operating activities	**$ (220,674)**	$ (219,578)
Investing activities		
Acquisition of website	**$ -**	$ (3,339)
Total cash outflows from investing activities	**$ -**	$ (3,339)
Financing activities		
Repayments of obligation	**$ (58,839)**	$ (54,994)
Repayments of lease liability	**-**	(20,757)
Loans from shareholders	**281,877**	169,122
Total cash inflows from financing activities	**$ 223,038**	$ 93,371
Net change in cash and cash equivalents	**$ 2,364**	$ (129,546)
Cash, beginning of year	**9,267**	138,813
Cash, end of year	**$ 11,631**	$ 9,267
Other non-cash items		
Repayments of lease liability included in accounts payable	**$ 5,000**	$ -
Remeasurement of lease liability	**$ -**	$ 8,127
Supplemental discsloure:		
Cash paid for interest payments	**$ -**	$ 2,138

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

GENIX PHARMACEUTICALS CORPORATION
Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Note	Number of shares		Share capital		Warrants reserve		Share options reserve		Accumulated deficit		Total
Balance, October 31, 2021		59,224,131	$	9,700,762	$	12,730	$	961,815	$	(6,661,131)	$	4,014,176
Share based payments	12	-		-		-		258,825		-	$	258,825
Net loss for the year		-		-		-		-		(1,073,998)	$	(1,073,998)
Balance, Octover 31, 2022		59,224,131	$	9,700,762	$	12,730	$	1,220,640	$	(7,735,129)	$	3,199,003
Share based payments	12	-		-		-		59,210		-		59,210
Net loss for the year		-		-		-		-		(4,395,574)		(4,395,574)
Balance, October 31, 2023		**59,224,131**		**9,700,762**		**12,730**		**1,279,850**		**(12,130,703)**		**(1,137,361)**

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

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Genix Pharmaceuticals Corporation (formerly Alta Natural Herbs & Supplements Ltd.) (the "Company" or "Genix") was incorporated under the Alberta Business Corporations Act on July 12, 1993 and is currently a publicly traded company listed on the TSX Venture Exchange under the symbol "GENX" and also trades on the OTCQB® in the United States (OTCQB: GENPF). The Company is a formulator, manufacturer, licensor and marketer of life sciences related products with a focus on nutraceuticals and pharmaceuticals.

The Company's registered office, principal address and registered and records office is 10022 – 102 Avenue, Grand Prairie, Alberta, T8V 0Z7.

The financial statements were authorized by the Board of Directors on February 26, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. In the event that cash flow from operations, if any, together with the proceeds from any future financings are insufficient to meet the Company's current operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

The Company's continuing operations are dependent upon its ability to raise capital and generate cash flow. At October 31, 2023, the Company had a working capital deficiency of $1,145,268 (October 31, 2022 – $813,199), had not generated sufficient revenues to cover expenses and had an accumulated deficit of $12,130,703 (October 31, 2022 – $7,735,129). The continuation of the Company as a going concern is dependent on generating future cash flows and obtaining necessary financing to fund ongoing operations.

These financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

Significant accounting judgements and estimates

Significant accounting judgments

Going concern

The ability to continue as a going concern as discussed in Note 1 requires a degree of judgment and is assessed at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts and also at each reporting period. Recoverability is dependent upon assumptions and judgments regarding market conditions, cost of operations and sustaining capital requirements. If an asset is impaired, judgment is required in assessing the available information in regard to the amount of impairment.

Significant accounting estimates

Share-based payments

Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Carrying values of intangible assets

The Company assesses the carrying value of its intangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding market conditions, cost of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts and also at each reporting period. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, future capital requirements and future operating performance.

2. BASIS OF PRESENTATION (continued…)

Significant accounting estimates (continued…)

Useful lives of intangible assets

Estimates of the useful lives of intangible assets are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

Leases

The lease term is estimated by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as profitability and operations. Extension option (or options after termination options) are only included in the lease term in if the lease is reasonably certain to be included (or not terminated). The assessment of the lease term is reviewed if a significant event or significant change in circumstance occurs, which affects this assessment that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure its lease liability for each lease contract. This includes estimation in determining the asset specific security impact.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Cash

Cash consists of cash held at a major financial institution and is subject to insignificant risk of changes in value.

Intangible assets

Intangible assets consist of contractual rights to commercialize, market and promote certain pharmaceutical products. The cost of intangible assets acquired is recorded at cost at the date of acquisition. Following its initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the useful economic life of ten years and assessed for indicators of impairment at the end of each reporting period. The amortization period is reviewed at least annually.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost for all inventory is determined using the weighted average method which for finished goods, includes the cost of raw materials and direct labour. Net realizable value represents the estimated selling price for inventory less all estimated costs of completion and costs necessary to make the sale.

Finished goods inventory consists of products which are valued at lower of weighted average cost and net realizable value. Raw materials are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at above cost. Net realization value is defined as the selling price of the finished goods less any provision for obsolescence and costs of completion.

3. SIGNIFICANT ACCOUNTING POLICIES (continued…)

Leases

At inception of a contract, the Company assess whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right of use asset and lease liability is recognized at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, including periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. If the rate cannot be readily determined, the Company's incremental rate of borrowing is used. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial statement.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of comprehensive income (loss) in the period in which they arise.

<u>Debt investments at FVOCI</u>
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

<u>Equity investments at FVOCI</u>
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued…)

Financial instruments (continued…)

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets at amortized cost

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 if 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 comprehensive income (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.

Derecognition

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

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category
Cash	FVTPL
Receivables	Amortized cost
Trade payables	Amortized cost
Loans from shareholders	Amortized cost
Obligation	Amortized cost
Lease liability	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES (continued…)

Financial instruments (continued…)

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

Revenue recognition

The Company recognizes revenue when it has persuasive evidence of a contract with commercial substance, performance obligations have been identified and satisfied, payment items have been identified, and it is probable that the Company will collect the consideration it is entitled to. The Company's contracts often include products or services, which are generally capable of being distinct and accounted for as separate performance obligations.

Revenue recognition on product

The transaction prices of products are determined based upon selling prices established and periodically reviewed by the Company. The date the product is shipped is the date when the performance obligations in the contract are fulfilled and the revenue is recognized at that point in time.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Warrants

When warrants are issued as units that comprise of a combination of shares and warrants, the value is assigned to shares and warrants using the residual value method. When warrants are issued as a separate instrument, the fair value of the warrants is determined based on a Black-Scholes option-pricing model.

Share-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued…)

Current and deferred income taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that they relate to a business combination or to items recognized directly in equity or in other comprehensive income (loss).

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

Deferred income taxes are recognized based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, deferred income taxes are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets and liabilities are presented as non-current in the financial statements.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

The Company records provisions for uncertain tax provisions if it is probable that the Company will make a payment on tax positions as a result of examinations by the tax authorities. These provisions are measured at the Company's best estimate of the amount expected to be paid. Provisions are reversed to income in the period in which management assesses that they are no longer required or determined by statute.

4. Inventory

	October 31, 2023	**October 31, 2022**
Raw materials	**$ 7,289**	$ 8,474
Finished goods	**151,824**	162,847
Total inventory	**$ 159,113**	$ 171,321

(Expressed in Canadian dollars)

5. Intellectual Property

	Ophthalmic Drugs	Sucanon®	Rechlor®	Flu-X®	Levothyroxine Sodium	Total
Cost:						
Balance, October 31, 2021	$ 4,535,000	100,000	250,000	100,000	440,562	$ 5,425,562
No activity for the year	-	-	-	-	-	-
Balance, October 31, 2022	4,535,000	100,000	250,000	100,000	440,562	5,425,562
No activity for the year	-	-	-	-	-	-
Balance, October 31, 2023	**4,535,000**	**100,000**	**250,000**	**100,000**	**440,562**	**5,425,562**
Accumulated amortization:						-
Balance, October 31, 2021	780,268	18,082	45,206	16,055	23,959	883,570
Amortization during the year	453,500	10,000	25,000	10,000	44,056	542,556
Balance, October 31, 2022	1,233,768	28,082	70,206	26,055	68,015	1,426,126
Amortization during the year	453,500	10,000	25,000	10,000	44,056	542,556
Impairment	2,847,731	61,917	154,793	63,944	328,490	3,456,875
Balance, October 31, 2023	**4,534,999**	**99,999**	**249,999**	**99,999**	**440,561**	**5,425,557**
Net book value:						
As at October 31, 2022	3,301,232	71,918	179,794	73,945	372,547	3,999,436
As at October 31, 2023	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 5**

Ophthalmic Drugs

On February 14, 2020, the Company completed the acquisition of 30 World Health Organization approved ophthalmic drugs and product dossiers from Canagen Pharmaceuticals Inc. ("Canagen") in exchange for 15,000,000 common shares. These shares were issued at a deemed price of $0.30 per share for a total of $4,535,000 based on the fair value of the asset at the time of acquisition.

Sucanon® and Rechlor®.

On January 10, 2020 the Company entered into an acquisition agreement with Canagen, to purchase sole and exclusive distribution, sales and marketing rights and interest for Canada, (excluding intellectual property rights) for an initial term of ten years to two nutraceutical products under the brand names Sucanon® and Rechlor®.

Sucanon® is a herbal health supplement that has been shown in clinical and scientific studies to help manage blood sugar levels and improve insulin sensitivity in non-insulin dependent adults.

Rechlor® is a patented dietary supplement that has been shown to support kidney health in several clinical and scientific studies. Made with all-natural, sugar-free ingredients, Rechlor® is a powerful antioxidant that is sourced from natural ingredients.

Genix has agreed to pay Canagen $100,000 for the Sucanon® rights and $250,000 for the Rechlor® rights, for a total of $350,000 ("Purchase Price") to be paid in tranches as follows:

SUCANON®

	Amount	Due Date	Status
Principal payment	$ 25,000	July 22, 2020	Paid
2nd payment	35,000	December 31, 2024	Outstanding
3rd payment	40,000	December 31, 2024	Outstanding
Total purchase price	**$ 100,000**		

RECHLOR®

	Amount	Due Date	Status
Principal payment	$ 62,500	July 22, 2020	Paid
2nd payment	87,500	December 31, 2024	Outstanding
3rd payment	100,000	December 31, 2024	Outstanding
Total purchase price	**$ 250,000**		

(Expressed in Canadian dollars)

5. Intellectual Property (continued…)

The second payments due for both Sucanon® and Rechlor® were extended to December 31, 2024 as agreed to by both parties. If the Company fails to make the 2nd payment, it has agreed to pay Canagen interest in the amount equal to 12% of the outstanding amount from the second anniversary of the closing date, plus a penalty in the amount of 1.5%; and If the Company fails to make the 2nd or 3rd payments of the Purchase Price for a period of longer than three (3) months from the due dates, all rights, including all Natural Product Numbers (“NPNs”) issued to Genix by Health Canada or granted to the Company by Canagen shall be immediately transferred and assigned to Canagen. During the year ended October 31, 2022, the Company was awarded a Natural Product Number (“NPN”) by Health Canada permitting Sucanon® to be sold throughout Canada.

Flu-X®
On March 24, 2020, the Company entered into an agreement, with Canagen to purchase the sole and exclusive global distribution, sales and marketing rights and interest for Flu-X®, a novel and proprietary, anti-viral, anti-flu and common colds coronavirus oral and spray herbal product. The Company acquired the global rights for a term of ten years, extendable by mutual agreement, by making cash payments to Canagen totaling $100,000, comprising $25,000 paid within four months of closing, and $75,000 within the first anniversary thereafter. Canagen has been paid the first installment of $25,000. The second installment of $75,000 was extended and is due on December 31, 2024, as agreed by both parties.

Levothyroxine Sodium (Synthroid®)
On March 26, 2021, the Company entered into an exclusive Canadian licensing and supply agreement (the “Agreement”) with Acme Generics LLP (“ACME”) for the manufacture, sale, marketing and distribution of Canada’s first available generic version of Levothyroxine sodium (Synthroid®). The Company will pay ACME a total licensing fee of $433,440 (US $350,000) (the “Transaction”) for the exclusive Canadian rights which includes eleven dosages of Levothyroxine sodium. ACME will assist the Company and its regulatory consultants to file Abbreviated New Drug Submissions (ANDS) with Health Canada to obtain regulatory approvals for legal sale of the drugs in Canada.

The first payment of $108,360 (US $87,500) was paid upon signing the agreement. The second payment of $108,360 (US $87,500) is payable upon completion of the satisfactory review and gap analysis of the drug dossier by the Company’s regulatory consultants and the consultants’ written positive opinion of the dossier being acceptable by Health Canada. The third payment of $242,743 (US $175,000) is payable upon Health Canada’s approval and issuance of the Notice of Compliance (NOC), marketing authorization for Canada and Health Canada’s issuance of Drug Identification Numbers (DINs) for the products. The initial term of the Agreement is for an eight-year period from the date of product approval by Health Canada, which is expected to take between 18-24 months, and will renew automatically for two year terms thereafter. During the year ended October 31, 2022, the Company made a payment of $54,994 (US $43,750) towards the second payment and paid the remaining balance of the second payment of $58,839 (US $43,750) during the year ended October 31, 2023.

For the year ended October 31, 2023, the Company has written down the carrying cost of its Intellectual Property to $5 due to a lack of demand and sales of the products. The Company recognized total impairment of $3,456,875 as the carrying values of the assets exceeded their recoverable amounts due to forecasted revenues not materializing for the year ended October 31, 2023 and subsequently.

The remaining payment obligations for Sucanon®, Rechlor®, Flu-X® and Levothyroxine sodium are summarized below:

	Sucanon®	Rechlor®	Flu-X®	Levothyroxine Sodium	Total
Current portion (due in less than 12 months)	$ 75,000	$ 187,500	$ 75,000	$ 242,743	$ 580,243
Long term portion	-	-	-	-	-
	$ 75,000	**$ 187,500**	**$ 75,000**	**$ 242,743**	**$ 580,243**

** Note that the payments due for Sucanon®, Rechlor® and Flu-X® are payable to Canagen, a related party with a common director and President of the Company.

(Expressed in Canadian dollars)

6. Right of Use Asset

		Right of Use Asset
Balance, October 31, 2021	$	32,427
Remeasurement		(8,127)
Depreciation		(20,568)
Balance, October 31, 2022	$	3,732
Depreciation		(3,732)
Balance, October 31, 2023	$	-

The lease was amended during the year ended October 31, 2022. The monthly lease payment was changed to $1,000 per month from $2,200 per month effective September 1, 2022 through to the end of the lease.

7. Website

		Website
Cost:		
Balance, October 31, 2021	$	8,000
Additions for the year		3,339
Balance, October 31, 2022		11,339
No activity during the year		-
Balance, October 31, 2023	$	11,339
Accumulated amortization:		
Balance, October 31, 2021	$	1,256
Amortization during the year		1,049
Balance, October 31, 2022		2,305
Amortization during the year		1,132
Balance, October 31, 2023	$	3,437
Net book value:		
As at October 31, 2022	$	9,034
As at October 31, 2023	$	**7,902**

8. Trade and Other Payables

The Company’s accounts payable and accrued liabilities are as follows:

		October 31, 2023		October 31, 2022
Trade payables	$	**249,054**	$	212,942
Accrued liabilities		**20,000**		22,000
	$	**269,054**	**$**	234,942

(Expressed in Canadian dollars)

9. Loans from Shareholders

		October 31, 2023		October 31, 2022
Shareholder loans	$	**511,525**	$	177,626
	$	**511,525**	**$**	177,626

The loans are from two shareholders who are also directors, bear interest at 10% per annum and are repayable at the earlier of one year or the Company's next private placement. There was no collateral pledged against these loans. The amount of shareholder loans outstanding includes accrued interest of $49,279 (2022 - $8,504).

10. Lease Liability

On April 1, 2021, the Company entered into a commercial lease agreement for office and warehouse space. The term of the lease is 24 months with lease payments of $2,000 per month for the first year and $2,200 per month for the second year. The lease agreement was amended during the year ended October 31, 2022 and the revised lease payments were revised to $1,000 per month starting September 1, 2022. There was no option for renewal.

The following table presents lease obligations for the Company for the year ended October 31, 2023:

		Office Lease
Balance, October 31, 2021	$	33,761
Remeasurement of lease payments		(8,127)
Interest for the year		2,243
Lease payments for the year		(23,000)
Balance, October 31, 2022		4,877
Interest for the period		123
Lease payments for the year		(5,000)
Balance, October 31, 2023		-
Less: Current portion		**-**
Non-current lease liability	**$**	**-**

11. Related Party Transactions

Compensation of key management personnel:

Key management personnel include members of the Board, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate total compensation paid, or payable to key management for management and employee services during the year ended October 31 was as follows:

		2023		2022
Share-based compensation	**$**	**-**	$	258,825
Lease payments		**12,000**		23,000
Consulting fees paid to key management		**54,000**		13,000
	$	**66,000**	$	294,825

During the year ended October 31, 2023, Genix entered into the following transactions with related parties:

a) Paid or incurred consulting and management fees of $6,000 (2022 - $6,500) to a company controlled by an officer of the Company. As at October 31, 2023, $nil (2022 - $525) was included in trade and other payables for consulting fees.
b) Paid or incurred consulting fees of $nil (2022 - $1,000) to a company controlled by a director of the Company. As at October 31, 2023, $696 (2022 - $nil) was included in trade and other payables for reimbursement of expenses.

(Expressed in Canadian dollars)

11. Related Party Transactions (continued…)

c) Paid or incurred in consulting fees of $54,000 (2022 - $12,000) to an officer of the Company. As at October 31, 2023, $26,326 (2022 - $2,557) was included in trade and other payables for management fees.
d) Paid or incurred lease payments of $12,000 (2022 - $23,000) to a company that is owned by an officer and director of the Company. As at October 31, 2023, $15,030 (2022 $2,730) was included in trade and other payables.
e) As at October 31, 2023, the Company owed $337,500 (2022 - $337,500) to a company that is owned by a director of the Company that was included in obligation liability. The Company also owed $134,667 (2022 - $142,401) that was included in trade and other payables for expenses incurred on behalf of the Company.
f) As at October 31, 2023, the Company owed $233,710 (2022 - $89,123) to a director of the Company for shareholder loans. The Company also owed $30,740 (2022 - $4,792) in accrued interest (see Note 9). The Company also owed $15,183 (2022 - $18,648) to a company wholly owned by Paul Chow that was included in trade and other payables for expenses incurred on behalf of the Company.
g) As at October 31, 2023, the Company owed $220,032 (2022 - $80,000) to an officer and director of the Company for shareholder loans. The Company also owed $27,043 (2022 - $3,712) in accrued interest. The Company also owed $9,808 (2022 - $9,493) that was included in trade and other payables for expenses incurred on behalf of the Company.
h) Stock based compensation of $nil (2022 - $258,825) was incurred to directors and officers of the Company.

All related party amounts were incurred in the normal course of operations. All amounts, except for loans from shareholders and obligations, bear no interest and have no fixed terms of repayment.

12. Share Capital and Reserves

Authorized Share Capital – Unlimited common shares without par value

Issued Share Capital

	Number of shares		Share capital - gross		Share issue - costs		Share capital - net
Balance, October 31, 2021	59,224,131	$	9,745,699	$	44,937	$	9,700,762
No activity during the year	-		-		-		-
Balance, October 31, 2022	59,224,131		9,745,699		44,937		9,700,762
No activity during the year	-		-		-		-
Balance, October 31, 2023	**59,224,131**	**$**	**9,745,699**	**$**	**44,937**	**$**	**9,700,762**

Warrants
A summary of the warrant activities is as follows:

	Number of warrants		Weighted average exercise price
Balance, October 31, 2021	3,445,945	$	0.30
Expired during the year	(91,000)		0.30
Balance, October 31, 2022	3,354,945		0.30
No activity during the year	-		-
Balance, October 31, 2023	**3,354,945**	**$**	**0.30**

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued…)

Warrants (continued…)

The following share purchase warrants were outstanding as at October 31, 2023:

Expiry date	Number of warrants		Exercise price	Remaining contractual life (years)
July 24, 2025	2,136,612		0.30	1.73
August 13, 2025	1,218,333		0.30	1.79
	3,354,945	**$**	**0.30**	**1.75**

The weighted average life of warrants outstanding as at October 31, 2023 is 1.75 years. The expiry date of the warrants was extended by 18 months on February 6, 2024.

Stock Options

The Company has a fixed stock-based compensation plan (the "Plan") providing for the grant of stock options to purchase a maximum of 10% of the issued and outstanding common shares outstanding.

During the year ended October 31, 2023:

a. There was no stock option activity during the year. All outstanding stock options had the exercise prices adjusted to $0.12. This was approved at the Company's AGM on May 18, 2023. The modification resulted in additional stock based compensation of $59,210 to be recorded.

During the year ended October 31, 2022:

b. There was no stock option activity during the year.

A summary of the stock options activities is as follows:

	Number of options		Weighted average exercise price
Balance, October 31, 2021	5,900,000	$	0.12
No activity for the year	0		-
Balance, October 31, 2022	5,900,000		0.12
Cancelled	(1,100,000)		0.12
Balance, October 31, 2023	**4,800,000**	**$**	**0.12**

The following table summarizes information about the options outstanding and exercisable at October 31, 2023:

Expiry date	Options outstanding	Options exercisable		Exercise price	Remaining contractural life (years)
August 5, 2025	1,400,000	1,400,000	$	0.12	1.76
December 14, 2025	150,000	150,000	$	0.12	2.12
December 15, 2025	400,000	400,000	$	0.12	2.13
March 22, 2026	2,850,000	2,850,000	$	0.12	2.39
	4,800,000	**4,800,000**			**2.18**

Loss per share

The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

13. Segmented information

Operating segment:
The Company operated in one operating segment consisting of nutraceutical and pharmaceutical products.

Geographic segments:
The Company operated only in Canada for the years ended October 31, 2023 and 2022.

14. Financial Instruments and Risk Management

The fair value of the Company's receivables and payables approximate their carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

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

Credit

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk on its cash and receivables. The Company limits its exposure to credit risk by holding its cash in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company performs ongoing credit evaluations of its trade receivables but does not require collateral. The Company establishes an allowance for doubtful accounts based on the credit risk applicable to particular customers and historical data. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

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 manages liquidity risk through its capital management as outlined in Note 15. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at October 31, 2023, management is actively reviewing its options to raise additional working capital for the Company to support ongoing operations and meet its liabilities as they fall due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk, as these variable interest rates are minimal.

Price risk

Price risk is the risk associated with equity prices. The Company closely monitors equity prices to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian dollars)

14. Financial Instruments and Risk Management (continued…)

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their trade payable and obligation balances. The risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at October 31, 2023, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

15. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' deficiency of $1,137,361 (2022 – shareholders' equity of $3,199,003). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels. The Company is not subject to externally imposed capital requirements other than as noted above. There were no changes to the Company's approach to capital management during the year ended October 31, 2023.

16. Income Taxes

A reconciliation of the provision for income taxes is as follows:

		October 31, 2023		October 31, 2022
Net income (loss) before income tax	$	(4,395,574)	$	(1,073,998)
Combined effective statutory rate		27%		27%
Expected income tax (recovery) at statutory tax rates		(1,186,000)		(290,000)
Impact of change in tax rates and other		(45,000)		389,000
Permanent difference		16,000		70,000
Share issue costs		-		-
Change in unrecognized deductible temporary differences		1,215,000		(169,000)
Income tax epxense (recovery)	$	-	$	-

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		October 31, 2023		October 31, 2022
Future tax asset (liability)				
Non-capital loss available for future periods	$	902,000	$	765,000
Share issue costs		2,000		4,000
Intangible assets		1,212,000		132,000
Right of use asset		0		(1,000)
Lease liability		0		1,000
Unrecognized deferred tax asset	$	(2,116,000)	$	(901,000)

(Expressed in Canadian dollars)

16. Income Taxes (continued…)

Significant components of the Company's temporary differences unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

		October 31, 2023	Expiry Date Range		October 31, 2022	Expiry Date Range
Temporary Differences						
Intangible assets	$	4,490,000	No expiry date	$	490,000	No expiry date
Share issue costs		7,000	2025		13,000	2024 - 2025
Right of use asset		-	No expiry date		4,000	No expiry date
Lease liabiity		-	No expiry date		5,000	No expiry date
Non-capital losses available for future period	$	3,341,000	2026 to 2043	$	2,832,000	2026 to 2042

At October 31, 2023, the Company has Canadian unrecognized losses for income tax purposes of approximately $3,340,896 (2022 - $2,832,227) which may be used to offset taxable incomes of future years. If unused, these losses will expire as follows:

Expiry Year		Amount
2026	$	388,635
2027		171,222
2028		40,334
2029		70,574
2030		127,672
2031		4,755
2032		87,869
2033		193,851
2035		168,238
2037		27,514
2038		21,957
2039		162,503
2040		545,555
2041		528,943
2042		462,601
2042		338,673
	$	**3,340,896**

Tax attributes are subject to review and potential adjustment by tax authorities.

17. Subsequent Event

Two directors of the Company loaned a total of $60,000 to the Company to fund ongoing operations. The loans carry an interest rate of 10% per annum. There was no collateral pledged against these loans.

The expiry date of the share purchase warrants outstanding was extended by 18 months.