



**THERMA BRIGHT INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED OCTOBER 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Therma Bright Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Therma Bright Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

As at	October 31, 2024	July 31, 2024
ASSETS		
Current assets		
Cash	\$ 150,998	\$ 1,096
Inventory (note 5)	172,110	172,110
Prepaid expenses	123,420	97,444
Sales taxes recoverable	126,697	121,025
Total current assets	573,225	391,675
Non-current assets		
Promissory note receivable (note 6)	66,557	115,057
Investments (note 7)	2,118,992	2,118,992
Equipment (note 8)	20,697	21,786
Intangible assets (note 9)	503,504	519,649
Right-of-use asset (note 10)	16,614	22,845
Total non-current assets	2,726,364	2,798,329
Total assets	\$ 3,299,589	\$ 3,190,004
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	\$ 1,711,839	\$ 1,800,281
Loan payable (note 12)	40,000	40,000
Lease liability (note 13)	18,257	25,392
Total liabilities	1,770,096	1,865,673
Shareholders' equity		
Share capital (note 14)	25,719,477	25,266,483
Warrants reserve (note 15)	7,121,863	7,121,863
Share-based payments reserve (note 16)	7,064,026	6,893,086
Equity portion of convertible debentures	271,545	271,545
Non-controlling interest (note 4)	308	308
Deficit	(38,647,726)	(38,228,954)
Total shareholders' equity	1,529,493	1,324,331
Total liabilities and shareholders' equity	\$ 3,299,589	\$ 3,190,004

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

Nature of operations and going concern (note 1)

Subsequent event (note 19)

Therma Bright Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023
Revenue		
Interest income	\$ 5,041	\$ 5,041
Sales	-	1,546
Total revenue	5,041	6,587
Cost of sales	-	40
Gross profit	5,041	6,547
Operating expenses		
General and administrative	354,549	117,249
Stock-based compensation (note 16)	170,940	-
Total operating expenses	525,489	117,249
Loss from operations	(520,448)	(110,702)
Other income (expenses)		
Gain on debt settlement (note 14)	126,406	-
Interest expense (note 13)	(1,265)	(2,663)
Depreciation and amortization (notes 8, 9 and 10)	(23,465)	(24,878)
Loss on foreign currency translation	-	(5,924)
Net loss and comprehensive loss for the period	\$ (418,772)	\$ (144,167)
Basic and diluted net loss per share (note 17)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	436,545,706	262,528,174

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

Therma Bright Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023
Operating activities		
Net loss for the period	\$ (418,772)	\$ (144,167)
Adjustments for:		
Stock-based compensation	170,940	-
Interest expense	1,265	2,663
Promissory note receivable reduced for services	53,541	-
Interest income	(5,041)	(5,041)
Depreciation and amortization	23,465	24,878
Gain on debt settlement	(126,406)	-
Changes in non-cash working capital items:		
Prepaid expenses	(25,976)	(9,275)
Inventory	-	40
Sales taxes recoverable	(5,672)	(3,905)
Accounts payable and accrued liabilities	316,058	(37,618)
Net cash used in operating activities	(16,598)	(172,425)
Financing activities		
Issuance of shares	174,900	-
Lease payments	(8,400)	(8,400)
Net cash provided by (used in) financing activities	166,500	(8,400)
Net decrease in cash	149,902	(180,825)
Cash, beginning of period	1,096	182,235
Cash, end of period	\$ 150,998	\$ 1,410
Supplemental cash flow information		
Shares issued for debt settlement	\$ 278,904	\$ -
Shares issued for investments	\$ -	\$ 962,500
Shares issued for asset acquisition	\$ -	\$ 1,023,264

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

Therma Bright Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Warrants reserve	Share based payments reserve	Equity portion of convertible debenture	Deficit	Non-controlling interest	Total
Balance, July 31, 2023	\$ 21,834,955	\$ 7,121,863	\$ 6,594,076	\$ 271,545	\$ (35,777,647)	\$ -	\$ 44,792
Shares issued for investments	962,500	-	-	-	-	-	962,500
Shares issued for asset acquisition	1,023,264	-	-	-	-	-	1,023,264
Shares issued for services	60,764	-	-	-	-	-	60,764
Net loss for the period	-	-	-	-	(144,167)	-	(144,167)
Balance, October 31, 2023	\$ 23,881,483	\$ 7,121,863	\$ 6,594,076	\$ 271,545	\$ (35,921,814)	\$ -	\$ 1,947,153
Balance, July 31, 2024	\$ 25,266,483	\$ 7,121,863	\$ 6,893,086	\$ 271,545	\$ (38,228,954)	\$ 308	\$ 1,324,331
Private placements	174,900	-	-	-	-	-	174,900
Shares issued for debt settlement	278,094	-	-	-	-	-	278,094
Stock-based compensation	-	-	170,940	-	-	-	170,940
Net loss for the period	-	-	-	-	(418,772)	-	(418,772)
Balance, October 31, 2024	\$ 25,719,477	\$ 7,121,863	\$ 7,064,026	\$ 271,545	\$ (38,647,726)	\$ 308	\$ 1,529,493

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

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Therma Bright Inc. (with its subsidiary, the "Company") was incorporated under the Business Corporations Act (Alberta) on March 5, 2001. The Company is a developer and partner in a range of proprietary diagnostic and medical device technologies focused on providing consumers and medical professionals with solutions to address important medical and healthcare challenges. The Company is developing, acquiring, manufacturing and marketing proprietary healthcare and medical devices for the consumer and institutional marketplace focused on 3 key strategic areas: respiratory disease, vascular health, and consumer medical devices. The common shares of the Company are traded under the symbol "THRM" on the TSX Venture Exchange ("TSXV") and on the OTCQB under the symbol "TBRF".

These unaudited condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on December 30, 2024.

Going concern

For the three months ended October 31, 2024, the Company incurred a loss of \$418,772 (2023 - \$144,167) and as of October 31, 2024, the Company had an accumulated deficit of \$38,647,726 (July 31, 2024 - \$38,228,954) and a net working capital deficit of \$1,196,871 (July 31, 2024 - \$1,473,998).

To this point, all operational activities and the overhead costs have been funded from the available cash and by equity and debt issuances, as well as loans from directors. The Company has been working, through third party service providers in marketing, sales, engineering and distribution, to sell its products online.

The Company is to require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing debt and equity financings in the past, there is no assurance that it will be able to do so in the future and on terms acceptable to management. Uncertainty in global capital markets could have a negative impact on the Company's ability to access capital in the future. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to reach a profitable level of operations and obtain adequate financing. These unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability of assets and to the re-classification of assets and liabilities amounts that might be necessary should the Company be unable to continue its operations. These adjustments could be material.

2. Basis of presentation

Statement of compliance

The Company applies 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"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of December 30, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended July 31, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2025 could result in restatement of these unaudited condensed interim consolidated financial statements.

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

3. Material accounting policies

New accounting standards adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024.

IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Adoption of these amendments had no significant effect on the Company's consolidated financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

4. Asset acquisition

In September 2023, the Company entered into an agreement with Ketiko Bio Corp. ("Ketiko"), wherein the Company issued 27,500,000 shares to Ketiko in exchange for 4,159,904 shares in the capital of InVixa, Inc. ("InVixa") from Ketiko, representing approximately 61% of the issued and outstanding shares therein. In connection with the acquisition, the Company issued a finder's fee through the issuance of 1,736,111 shares in the Company's capital stock to an arm's length finder for its assistance in sourcing the transaction.

The transaction resulted in the Company obtaining control of InVixa by obtaining control of the voting rights, governance, management decision making processes, and the resulting power to govern the financial and operating policies of InVixa.

The Company elected to apply the optional test to identify concentration of fair value to determine whether the transaction constitutes a business combination or an asset acquisition. It was determined that the acquisition met the concentration test and the transaction has been accounted for as an asset acquisition with the guidance provided in IFRS 2, Share-Based Payments.

The Company recognized the fair value of the acquisition using the fair value of the shares issued on the date of acquisition and the fair value of other direct acquisition costs. The Company allocated the acquisition costs of \$1,022,782 of the acquisition to the individual assets acquired and liabilities assumed on the basis of their relative fair values as follows:

Prepaid expenses	\$	790
Intangible assets - Intellectual property		1,022,782
Non-controlling interest		(308)
Purchase price	\$	1,023,264
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Purchase price consists of:		
27,500,000 common shares of the Company	\$	962,500
Transaction cost (1,736,111 common shares of the Company)		60,764
	\$	1,023,264

During the year ended July 31, 2024, the Company recognized an impairment loss of intangible assets of \$1,022,782 due to the uncertainty of timing and amount of future economic benefits.

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

5. Inventory

Inventory consists solely of finished goods. Inventory recognized as an expense for the three months ended October 31, 2024 amounts to \$nil (2023 - \$40).

6. Promissory note receivable

During the year ended July 31, 2022, the Company entered into a consulting agreement for services with City View Green Holdings Inc. ("CVGR"), a company with common officers and directors, to develop a pain formulation containing CBD for use with the Company's product portfolio. As part of the agreement, the Company advanced \$200,000 to CVGR pursuant to a 2-year promissory note with a 10% interest rate. The promissory note is reviewed annually to calculate the value of services performed by CVGR. The promissory note is due and receivable on demand by the Company in the event this agreement is terminated.

For the three months ended October 31, 2024, the Company recorded interest income on this note of \$5,041 (2023 - \$5,041). The cumulative amount is included in the promissory note receivable on the unaudited condensed interim consolidated statement of financial position.

During the year ended July 31, 2024, the Company determined that a portion of the promissory note is not recoverable and recorded an impairment loss on the promissory note receivable of \$129,930.

Subsequent to October 31, 2024, the Company settled the promissory note in consideration for 6,655,700 common shares of CVGR.

7. Investments

	Inretio (a)	InStatin (b)	Total
Balance, July 31, 2023	\$ 840,034	\$ -	\$ 840,034
Addition (b)	-	1,100,760	1,100,760
Change in fair value of investment	(67,420)	245,618	178,198
Balance, July 31, 2024 and October 31, 2024	\$ 772,614	\$ 1,346,378	\$ 2,118,992

(a) The Company entered into a share purchase agreement with Inretio Ltd. ("Inretio") for its protective blood clot retriever technology. The Company had the right to invest up to US\$2,000,000 in cash and USD \$500,000 in the Company's shares for a 25% interest in Inretio, subject to TSXV approval. The cash and shares were payable, at the Company's option, upon certain milestones being achieved by Inretio over time by the end of May 31, 2024. During the year ended July 31, 2023, the Company made the payments to Inretio totaling \$373,520 (US\$275,000) and issued 6,766,500 common shares valued at \$473,655 at the Company's share price at the date of issue. During the year ended July 31, 2024, the Company elected not to exercise a further stake in Inretio due to difficult capital markets for financing small capitalization companies.

As at October 31, 2024, the Company's ownership interest in Inretio is 7.5% (July 31, 2024 - 7.5%).

(b) In September 2023, the Company entered into an agreement with 2740162 Ontario Inc., operating as August Therapeutics ("August"), wherein the Company issued 27,500,000 shares to August (issued in October 2023) in exchange for 520,000 shares in the capital of InStatin, Inc. ("InStatin") Additionally, an option provided the Company with the right to purchase up to an additional 577,386 shares in the capital of InStatin in consideration of cash payments of up to US\$499,997 until December 31, 2023. The Company did not exercise this option. In connection with the acquisition, the Company issued a finder's fee through the issuance of 1,736,111 shares in the Company's capital stock to an arm's length finder for its assistance in sourcing the transaction. During the year ended July 31, 2024, the Company further advanced \$138,260 (US\$100,000) to InStatin for as a simple agreement for future equity (SAFE) investment.

As at October 31, 2024, the Company's ownership interest in InStatin is 17.3%.

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

8. Equipment

Cost	Furniture and fixtures	Moulds	Total
Balance, July 31, 2023 and 2024 and October 31, 2024	\$ 3,081	\$ 100,000	\$ 103,081
Accumulated depreciation			
Balance, July 31, 2023	2,050	73,798	75,848
Depreciation for the year	207	5,240	5,447
Balance, July 31, 2024	2,257	79,038	81,295
Depreciation for the period	41	1,048	1,089
Balance, October 31, 2024	2,298	80,086	82,384
Carrying value			
Balance, July 31, 2024	\$ 824	\$ 20,962	\$ 21,786
Balance, October 31, 2024	\$ 783	\$ 19,914	\$ 20,697

9. Intangible assets

Cost	Patents and trade marks	Domain name	Licensing rights	Intellectual property	Total
Balance, July 31, 2023	\$ 200,000	\$ 49,490	\$ 562,160	-	\$ 811,650
Additions (note 4)	-	-	-	1,022,782	1,022,782
Impairment (a)	-	(49,490)	-	(1,022,782)	(1,072,272)
Balance, July 31, 2024 and October 31, 2024	\$ 200,000	\$ -	\$ 562,160	\$ -	\$ 762,160
Accumulated amortization					
Balance, July 31, 2023	147,733	12,123	28,108	-	187,964
Amortization for the year	10,453	2,474	56,217	-	69,144
Impairment (a)	-	(14,597)	-	-	(14,597)
Balance, July 31, 2024	158,186	-	84,325	-	242,511
Amortization for the period	2,091	-	14,054	-	16,145
Balance, October 31, 2024	160,277	-	98,379	-	258,656
Carrying value					
Balance, July 31, 2024	\$ 41,814	\$ -	\$ 477,835	\$ -	\$ 519,649
Balance, October 31, 2024	\$ 39,723	\$ -	\$ 463,781	\$ -	\$ 503,504

- (a) During the year ended July 31, 2024, the Company determined it will not be able to recover any amount from its domain name and intellectual property. As a result, the Company recorded an impairment loss of \$1,057,675.

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

10. Right-of-use assets

Balance, July 31, 2023	\$ 47,768
Depreciation	(24,923)
Balance, July 31, 2024	22,845
Depreciation	(6,231)
Balance, October 31, 2024	\$ 16,614

During the year ended July 31, 2022, the Company entered into a office lease expiring on June 30, 2025.

11. Accounts payable and accrued liabilities

	As at October 31, 2024	As at July 31, 2024
Accounts payable and accrued liabilities	\$ 936,404	\$ 1,069,561
Amounts due to related parties (note 18)	775,435	730,720
Total accounts payable and accrued liabilities	\$ 1,711,839	\$ 1,800,281

12. Loan payable

Canada Emergency Business Account (CEBA) loan

In April 2020, the Company received \$40,000 in a CEBA loan, funded by the Government of Canada. For qualifying entities, the loan was non-interest bearing until December 31, 2023, and bears interest after that date of 5% up to December 31, 2025 at which point the balance is due in full. The Company did not qualify for the CEBA loan and the loan is due in full on December 31, 2023. As at October 31, 2024, the loan is in default due to non-payment.

13. Lease liabilities

The lease payments are discounted using a weighted average incremental borrowing rate of 10%.

Balance, July 31, 2023	\$ 50,388
Interest expense	8,604
Lease payments	(33,600)
Balance, July 31, 2024	\$ 25,392
Interest expense	1,265
Lease payments	(8,400)
Balance, October 31, 2024	\$ 18,257

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

14. Share capital

a) Authorized

Unlimited number of common and preferred shares without par value.

b) Issued

	Number of common shares	Amount
Balance, July 31, 2023	257,443,633	\$ 21,834,955
Shares issued for asset acquisition (note 4)	29,236,111	1,023,264
Shares issued for investments (note 7(b))	27,500,000	962,500
Shares issued for services (note 7(b))	1,736,111	60,764
Balance, October 31, 2023	315,915,855	\$ 23,881,483
Balance, July 31, 2024	435,165,855	\$ 25,266,483
Private placements (i)	2,915,000	174,900
Shares issued for debt settlement (ii)	5,056,250	278,094
Balance, October 31, 2024	443,137,105	\$ 25,719,477

- (i) On October 10, 2024, the Company completed the first tranche of a non-brokered private placement, wherein the Company issued 2,915,000 shares at \$0.06 per share for gross proceeds of \$174,900.
- (ii) On October 18, 2024, the Company settled aggregate debt of \$404,500, in consideration for which it issued an aggregate of 5,056,250 common shares valued at \$0.055 per share. As a result, the Company recorded a gain on debt settlement of \$126,406.

15. Warrants reserve

The following table reflects the continuity of warrants for the periods ended October 31, 2024 and 2023:

	Number of warrants	Weighted average exercise price
Balance, July 31, 2023	25,460,000	\$ 0.36
Expired	(1,025,000)	0.44
Balance, October 31, 2023	24,435,000	\$ 0.35
Balance, July 31, 2024 and October 31, 2024	74,335,000	\$ 0.15

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

15. Warrants reserve (continued)

The following table summarizes the warrants outstanding and exercisable at October 31, 2024:

Issue date	Expiry date	Exercise price (\$)	Number of warrants
February 18, 2022	February 18, 2027	0.375	20,000,000
February 18, 2022	February 18, 2027	0.375	1,600,000
November 28, 2022	November 28, 2024 (i)	0.400	235,000
June 23, 2023	June 23, 2026	0.170	2,500,000
June 10, 2024	June 10, 2027	0.050	42,725,000
June 20, 2024	June 20, 2027	0.050	7,275,000
		0.15	74,335,000

Some of the warrants are subject to acceleration in the event the Company's common shares trade at or above certain share prices.

(i) Subsequent to October 31, 2024, 235,000 warrants expired unexercised.

16. Stock options

Under the Company's stock option plan, the Company may grant options to employees, consultants, officers and directors totaling up to 10% of its issued and outstanding common shares. The aggregate number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price
Balance, July 31, 2023 and October 31, 2023	21,775,000	\$ 0.30
Balance, July 31, 2024	43,216,000	\$ 0.17
Issued (i)	3,300,000	0.08
Expired	(3,000,000)	0.55
Balance, October 31, 2024	43,516,000	\$ 0.13

(i) On September 12, 2024, the Company granted stock options to directors, officers and consultants to purchase up to 3,300,000 common shares of the Company. The options are exercisable for 3 years at a price of \$0.08 per share. The options vested immediately. The estimated fair value of these options at the grant date was \$170,940 using the Black-Scholes valuation model using the underlying weighted average assumptions: risk-free rate: 2.92%; expected life: 3 years; expected volatility: 178% based on historical trends; forfeiture rate: nil; expected dividend yield: 0%; and share price: \$0.06.

Therma Bright Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended October 31, 2024****(Expressed in Canadian Dollars)****Unaudited**

16. Stock options (continued)

The following table reflects the stock options issued and outstanding as of October 31, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 4, 2025	0.44	0.18	800,000	800,000
June 10, 2025	0.25	0.61	1,475,000	1,475,000
August 20, 2025	0.22	0.80	10,950,000	10,950,000
August 26, 2025	0.22	0.82	200,000	200,000
December 7, 2025	0.22	1.10	250,000	250,000
December 24, 2025	0.22	1.15	200,000	200,000
January 5, 2026	0.28	1.18	750,000	750,000
January 25, 2026	0.45	1.24	300,000	300,000
March 4, 2026	0.30	1.34	2,500,000	2,500,000
May 22, 2027	0.05	2.56	11,000,000	11,000,000
July 3, 2027	0.05	2.67	10,631,000	10,631,000
July 8, 2027	0.05	2.68	1,160,000	1,160,000
September 12, 2027	0.08	2.87	3,300,000	3,300,000
	\$0.13	1.94	43,516,000	43,516,000

17. Loss per share

For the three months ended October 31, 2024, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$418,772 (2023 - \$144,167) and the weighted average number of common shares outstanding of 436,545,706 (2023 - 262,528,174). Diluted loss per share did not include the effect of 43,516,000 stock options (2023 - 21,775,000 stock options) or 74,335,000 warrants (2023 - 24,435,000 warrants) as they are anti-dilutive.

Therma Bright Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended October 31, 2024

(Expressed in Canadian Dollars)

Unaudited

18. Related party transactions (see also notes 6, 11 and 16)

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended October 31,	
	2024	2023
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 12,323	\$ 4,790
Intelvest Inc. ("Intelvest") (ii)	78,125	54,688
Total	\$ 90,448	\$ 59,478

(i) For the three months ended October 31, 2024, the Company expensed \$12,323 (2024 - \$4,790) to Marrelli Support for the services of an employee of Marrelli Support to act as the Chief Financial Officer of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. As at October 31, 2024, Marrelli Support was owed \$19,716 (July 31, 2024 - \$8,791) and this amount is included in accounts payable and accrued liabilities.

(ii) For the three months ended October 31, 2024, the Company expensed \$78,125 (2024 - \$54,688) to Intelvest, a company controlled by a director and officer of the Company, for the management services of Rob Fia to act as Chief Executive Officer ("CEO") of the Company. As at October 31, 2024, \$755,719 (July 31, 2024 - \$711,929) is included in accounts payable and accrued liabilities and was payable to key management personnel.

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended October 31,	
	2025	2024
Share-based payments	\$ 51,800	\$ -

As at October 31, 2024, directors and key management personnel of the Company were owed \$nil (July 31, 2024 - \$10,000) for remuneration and reimbursable expenses.

As at October 31, 2024, the Company had advanced \$58,934 (July 31, 2024 - \$41,610) to the CEO for reimbursable expenses.

19. Subsequent event

On November 11, 2024, the Company issued 8,495,042 common shares to settle aggregate debt of \$297,326 with arm's length creditors.