



UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022  
(EXPRESSED IN CANADIAN DOLLARS)

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Leveljump Healthcare Corp.  
 Unaudited Condensed Interim Consolidated Statement of Financial Position  
 (Expressed in Canadian Dollars)

As at	30-Sep-22	31-Dec-21
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 637,589	\$ 767,611
Accounts Receivable (Note 5)	934,115	805,475
Loans Receivable	1,306,902	556,521
HST Receivable	166,107	146,806
Prepaid Expenses and Deposits	166,876	427,971
<b>Total Current Assets</b>	<b>3,211,590</b>	<b>2,704,384</b>
<b>Non-Current Assets</b>		
Investment in Associates (Note 9)	2,523,276	1,434,829
Right-of-Use-Assets (Note 7)	290,451	17,976
<b>Total Non-Current Assets</b>	<b>2,813,726</b>	<b>1,452,805</b>
<b>Fixed Assets</b>		
Property, Plant and Equipment (Note 6)	823,917	24,625
<b>Total Fixed Assets</b>	<b>823,917</b>	<b>24,625</b>
<b>Other Assets</b>		
Intangible Assets (Note 8)	3,416,724	-
<b>Total Other Assets</b>	<b>3,416,724</b>	<b>-</b>
<b>Total Assets</b>	<b>\$10,265,957</b>	<b>\$4,181,814</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 10)	1,794,852	1,925,604
Operating Line of Credit	148,587	-
Current Portion of Lease Liabilities (Note 12)	98,629	26,580
Current Portion of Long-Term Debt	263,952	-
<b>Total Current Liabilities</b>	<b>2,306,020</b>	<b>1,952,184</b>
<b>Non-Current liabilities</b>		
Long Term Debt (Note 11)	2,782,076	-
Lease Liabilities (Note 12)	199,621	-
Statute Barred Liabilities	222,327	222,327
<b>Total Non-Current liabilities</b>	<b>3,204,024</b>	<b>222,327</b>
<b>Total Liabilities</b>	<b>5,510,044</b>	<b>2,174,511</b>
<b>Shareholders' Equity</b>		
Share Capital (Note 13)	14,632,000	12,752,007
Contributed Surplus	5,472,554	3,866,760
Retained Earnings	\$ (15,348,642)	\$ (14,611,463)
<b>Total Shareholders' Equity</b>	<b>4,755,913</b>	<b>2,007,304</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 10,265,957</b>	<b>\$ 4,181,815</b>

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

Nature of operations and going concern (Note 1)  
 Subsequent events (Note 20)

Approved on behalf of the Board:

(Signed) "Robert Landau" Director

(Signed) "Mitch Geisler" Director

Leveljump Healthcare Corp.  
 Unaudited Condensed Interim Consolidated Statement of Income/(Loss) and Comprehensive Income/  
 (Loss)  
 (Expressed in Canadian Dollars)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-22</b>	<b>30-Sep-21</b>
<b>Revenues</b>				
Telehealth Services	\$ 1,813,642	\$ 1,691,757	\$ 5,373,333	\$ 4,823,527
Diagnostic Imaging Services	430,014	-	1,100,151	-
Admin Services	52,531	47,708	138,506	101,032
<b>Total Revenue</b>	<b>2,296,186</b>	<b>1,739,465</b>	<b>6,611,990</b>	<b>4,924,559</b>
<b>Cost of Sales</b>				
Physician Fees	1,431,687	1,346,586	4,238,762	3,843,962
Technician Fees	165,645	-	410,719	-
Medical imaging software	44,072	33,243	148,790	85,025
Supplies	7,637	3,390	20,256	10,467
<b>Total Cost of Sales</b>	<b>1,649,041</b>	<b>1,383,219</b>	<b>4,818,527</b>	<b>3,939,454</b>
<b>Gross Profit</b>	<b>647,146</b>	<b>356,246</b>	<b>1,793,462</b>	<b>985,105</b>
<b>Expenses</b>				
Professional Fees	202,587	69,060	658,601	293,082
Salaries and Wages	415,271	320,614	1,130,570	923,551
General and Administrative	60,417	36,703	174,178	97,508
Depreciation and Amortization	51,335	8,183	145,368	24,548
Stock Based Compensation	36,833	104,732	256,499	707,753
Insurance	25,335	30,238	72,291	73,856
Premises Rental	17,243	2,811	40,581	8,432
Advertising and Marketing	4,616	238,249	21,004	620,486
<b>Total Operating Expenses</b>	<b>813,636</b>	<b>810,590</b>	<b>2,499,093</b>	<b>2,749,216</b>
<b>Net Profit (Loss) before interest and undernoted items</b>	<b>(166,490)</b>	<b>(454,344)</b>	<b>(705,630)</b>	<b>(1,764,111)</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
Miscellaneous Income	188	-	102,958	20,000
<b>Total Other Income</b>	<b>188</b>	<b>-</b>	<b>102,958</b>	<b>20,000</b>
<b>Other Expenses</b>				
Finance Costs	40,219	2,495	100,358	8,742
Broker Commissions	-	-	20,201	-
Reconciliation Discrepancies	-	-	7,808	-
Other Miscellaneous Expenses	125	(32,201)	(1,419)	(46,231)
Gains/Loss on Fixed Asset	-	-	4,626	-
Foreign Exchange Loss	2,971	(5,432)	2,971	(1,481)
<b>Total Other Expenses</b>	<b>43,315</b>	<b>(35,138)</b>	<b>134,544</b>	<b>(38,970)</b>
<b>Total Other Income/Expense</b>	<b>(43,127)</b>	<b>35,138</b>	<b>(31,586)</b>	<b>58,970</b>
<b>Net Income/(Loss) and Comprehensive Income/(Loss)</b>	<b>\$ (209,617)</b>	<b>\$ (419,206)</b>	<b>\$ (737,217)</b>	<b>\$ (1,705,141)</b>
<b>Basic and Diluted Net Comprehensive Income (loss) per share</b>	<b>-0.002</b>	<b>-0.009</b>	<b>-0.01</b>	<b>-0.039</b>
<b>Weighted Average Common Shares Outstanding</b>				
<b>- basic and diluted (Note 18)</b>	<b>84,889,383</b>	<b>46,103,755</b>	<b>76,872,247</b>	<b>43,338,175</b>

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

Leveljump Healthcare Corp.  
 Unaudited Condensed Interim Consolidated Statement of Changes of Cash Flows  
 (Expressed in Canadian Dollars)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-22</b>	<b>30-Sep-21</b>	<b>30-Sep-22</b>	<b>30-Sep-21</b>
<b>Operating activities</b>				
Comprehensive Income (loss)	\$ (209,617)	\$ (416,048)	\$ (737,217)	\$ (1,705,141)
Adjustments for:				
Depreciation and Amortization	51,335	-	121,297	24,548
Credit Card for Operating Expenses	6,996	(1,425)	6,850	739
Stock Based Compensation	36,833	-	256,499	707,753
<b>Total Adjustment to Net Income</b>	<b>\$ 95,163</b>	<b>\$ (1,425)</b>	<b>\$ 384,646</b>	<b>\$ (972,101)</b>
<b>Changes in Non-Cash Working Capital Items</b>				
Accounts Receivable	(121,710)	(24,577)	(115,694)	(58,012)
HST Receivable/Payable	32,337	(20,700)	(19,301)	(44,571)
Prepaid Expenses and Deposits	16,452	120,363	10,996	194,449
Accounts Payable and Accrued Liabilities	(328,963)	446,662	(144,200)	175,350
<b>Total Operating Activities</b>	<b>\$ (401,884)</b>	<b>\$ 521,748</b>	<b>\$ (268,200)</b>	<b>\$ (704,885)</b>
<b>Investing Activities</b>				
Investments in Associates	(60,000)	\$ (355,100)	(984,937)	\$ (386,600)
Property & Equipment	(49,802)	-	(866,116)	-
Loans to Associates	-	-	-	-
ROU Assets	3,964	\$ 8,183	(326,948)	-
MOH License	-	-	(3,365,827)	-
<b>Total Investing Activities</b>	<b>\$ (105,838)</b>	<b>\$ (346,917)</b>	<b>\$ (5,543,828)</b>	<b>\$ (386,600)</b>
<b>Financing Activities</b>				
Changes in Lease Liabilities	(30,326)	(8,820)	271,670	(25,132)
Bank Debt	(65,988)	-	3,194,615	(60,000)
Common Stock	120,000	173,500	1,962,742	-
Contributed Surplus	(12,908)	135,527	1,349,333	1,840,700
Advances to directors	(49,632)	(526,070)	(743,782)	(373,021)
Advances to related party	-	-	-	(49,063)
<b>Total Financing Activities</b>	<b>\$ (38,855)</b>	<b>\$ (225,864)</b>	<b>\$ 6,034,578</b>	<b>\$ 1,333,484</b>
<b>Increase/(Decrease) in cash</b>	<b>(661,031)</b>	<b>(468,506)</b>	<b>(130,021)</b>	<b>241,999</b>
<b>Cash beginning of period</b>	<b>\$ 1,298,620</b>	<b>\$ 1,515,348</b>	<b>\$ 767,611</b>	<b>\$ 905,546</b>
<b>Cash end of period</b>	<b>\$ 637,551</b>	<b>\$ 1,046,842</b>	<b>\$ 637,551</b>	<b>\$ 1,147,545</b>

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

Leveljump Healthcare Corp.  
Unaudited Condensed Interim Consolidated Statement of Changes in Equity  
(Expressed in Canadian Dollars)

	Common Share Capital		Contributed Surplus	Deficit	Total Equity (Deficiency)
	Number of common shares	Amount			
<b>Balance, December 31, 2020</b>	<b>40,364,400</b>	<b>\$ 10,981,422</b>	<b>\$ 1,758,253</b>	<b>\$ (12,412,575)</b>	<b>\$ 327,100</b>
Common shares issued	19,558,797	1,770,585	-	-	1,770,585
Issuance of warrants and options	-	-	2,108,507	-	2,108,507
Net loss for the year	-	-	-	(2,198,888)	(2,198,888)
<b>Balance, December 31, 2021</b>	<b>59,923,197</b>	<b>\$ 12,752,007</b>	<b>\$ 3,866,760</b>	<b>\$ (14,611,463)</b>	<b>\$ 2,007,304</b>
Common shares issued	25,120,032	1,879,993	-	-	1,879,993
Stock-based compensation	-	-	256,499	-	256,499.03
Issuance of warrants and options	-	-	1,349,333	-	1,349,333.35
Net loss for the period	-	-	-	(737,217)	(737,217)
<b>Balance, September 30, 2022</b>	<b>85,043,229</b>	<b>\$ 14,632,000</b>	<b>\$ 5,472,592</b>	<b>\$ (15,348,680)</b>	<b>\$ 4,755,913</b>

	Common Share Capital		Contributed Surplus	Deficit	Total Equity (Deficiency)
	Number of common shares	Amount			
<b>Balance, December 31, 2019</b>	<b>160</b>	<b>\$ 130,669</b>	<b>\$ -</b>	<b>\$ (849,533)</b>	<b>\$ (718,864)</b>
Common shares and warrants issued for cash (Note 11)	8,700,511	2,679,758	1,235,472	-	3,915,230
Common shares and warrants issued pursuant to royalty buyout	1,111,111	342,222	157,778	-	500,000
Share issuance costs	-	(471,527)	-	-	-471,527
Issuance of shares, warrants and options on RTO transaction	30,302,618	8,400,700	84,500	-	8,485,200
Shares and warrants issued to agents	250,000	77,000	35,500	-	112,500
Fair value of broker options issued to agents	-	(177,400)	177,400	-	-
Stock-based compensation	-	-	67,603	-	67,603
Net loss for the year	-	-	-	(11,563,042)	-11,563,042
<b>Balance, December 31, 2020</b>	<b>40,364,400</b>	<b>\$ 10,981,422</b>	<b>\$ 1,758,253</b>	<b>\$ (12,412,575)</b>	<b>\$ 327,100</b>
Common shares issued	10,896,444	1,773,800	-	-	1,773,800
Stock-based compensation	-	-	707,753	-	707,753
Issuance of warrants and options	-	(1,080,000)	1,146,900	-	66,900
Net loss for the period	-	-	-	(1,705,141)	(1,705,141)
<b>Balance, September 30, 2021</b>	<b>51,260,844</b>	<b>\$ 11,675,222</b>	<b>\$ 3,612,906</b>	<b>\$ (14,117,716)</b>	<b>\$ 1,170,412</b>

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

## 1. Nature of Operations and Going Concern

Leveljump Healthcare Corp. (“Jump” or the “Company”) was incorporated under the Canada Business Corporations Act on March 21, 2019.

The Company’s principal business activity is providing radiology services both by providing direct patient images and by providing Teleradiology services. Teleradiology is the process of providing remote off site reading of radiology scans such as CT, MRI, US, and X-ray. Hospital staff scan their emergency room patients, then page the Company’s radiologist on call, who can then remotely view, via secured server, the images and diagnose the patient and provide a report back to the hospital.

The Company’s head office and registered office is located at 85 Scarsdale Road, Suite 304, Toronto, Ontario, M3B 2R2.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

### Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these unaudited condensed interim consolidated financial statements.

At September 30, 2022, the Company had an accumulated deficit of \$15,348,642 (December 31, 2021 - \$14,611,463). Comprehensive loss for the three months ended September 30, 2022, was \$209,617 (three months ended September 30, 2021 - \$419,206) and for the nine months ended September 30, 2022, was \$737,217 (nine months ended September 30, 2021 - \$1,705,141). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the financing necessary to fund its planned revenue growth and working capital requirements.

The Company has raised funds throughout the prior and current fiscal years and has utilized these funds for working capital requirements. The ability of the Company to arrange additional financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company, nor achieve desired sales growth. If additional financing is raised by the issuance of common shares from treasury of the Company, control of the Company may change, and existing shareholders may have their ownership diluted. If adequate funding is not available, the Company may be required to reduce its expansion and acquisition plans and even possibly reduce or terminate its operations.

## 2. Significant Accounting Policies

### Basis of presentation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2022, 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 consolidated financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2022, could result in restatement of these unaudited condensed interim consolidated financial statements.

### Revenue recognition

The Company generates its revenue from the provision of x-ray and ultrasound scans for patients as well as teleradiology services to hospitals and imaging centres, or radiology groups as well as by providing radiologist reading for reports of x-ray, ultrasound and mammography examinations given to patients. The Company recognizes revenues at the fair value of the consideration received or receivable when a performance obligation is satisfied. Teleradiology revenue is recognized after the radiology report is provided to the hospital, on the basis the Company has satisfied all performance obligations at that point. X-ray and ultrasound revenue is recognized on the date of the performance of each patient examination.

### Cash and cash equivalents

Cash and cash equivalents include cash on deposit at banking institutions, deposits in transit and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to significant risk of change in value. The Company had \$637,589 in cash equivalents at September 30 2022 (\$767,611 – December 31, 2021).

### Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less

any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

The Company elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

### Share-based compensation

The Company accounts for all equity-settled stock-based payments using a fair value-based method incorporating the Black-Scholes option pricing model. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and is either recorded at the date of grant, in the case of options that vest immediately, or over the vesting period in the case of options that vest over a period. In the latter case, the Company estimates forfeitures at the time of grant and the amount recognized as an expense from time to time is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements with non-employees in which the Company receives goods or services as consideration are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of equity instruments granted.

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen because of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

### Foreign currency transactions

The Company incurs certain expenses in United States dollars. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the closing rate, being the rate prevailing on the statement of financial position date. Non-monetary assets and liabilities are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenues and expenses are translated at the rate of exchange in effect at the date of the transactions. Foreign exchange translation gains and losses are recorded in operations in the period in which they occur.

### Financial instruments

#### Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired. A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

#### Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- (i) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive loss (“FVTOCI”); and
- (ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive loss (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- (i) amortized cost;
- (ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- (iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial instruments classified and measured as follows:

Financial Instruments	Category under IFRS 9
Cash and cash equivalents	FVTPL
Investments at Fair Value	FVTPL
Accounts receivables	Amortized cost
Due to/from related party	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost
Due to director	Amortized cost
Lease liability	Amortized cost

### Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

### Financial instruments recorded at fair value

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

- Level 1: valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### Property and Equipment

Upon initial acquisition, property and equipment is valued at cost, being the purchase price and the directly attributable costs of acquisition required to bring the assets to the location and in the condition necessary for these assets to be capable of operating in the manner intended by management. In subsequent periods, property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Each component or part of property and equipment with a cost that is significant in relation to the total cost of the item will be depreciated separately, unless there is no difference in depreciation on the respective components.

Leasehold improvement	10 years, straight-line method
Equipment	10 years, straight-line method
Computer Equipment	3 years, straight-line method

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the pre-tax time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of loss.

### Loss per share

Basic and diluted net loss per share is calculated using the weighted average number of outstanding shares. The calculation of diluted loss per share considers the potential impact of the exercise of all dilutive instruments (such as stock options) on the theoretical number of shares using the treasury method. The Company had 9,334,890 stock options, 40,860,261 warrants and 696,040 broker options to purchase common stock, dilutive instruments as at September 30, 2022 and 9,454,890 stock options, 23,424,073 warrants, and 696,040 broker options to purchase common stock, dilutive instruments at December 31, 2021.

### Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

## Income tax

Current income tax expense represents the sum of income tax currently payable. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the date of the statement of financial position.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are determined on a non-discounted basis, using the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that the asset can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

## Investment in associate

Investments in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. The Company also provides loans to these entities. Investments in associates are carried in the consolidated statement of financial position using the equity method. The equity method is the basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings and other comprehensive income of the investee. Funding advances to the investee increase the carrying value of the investment and profit distributions from the investment, if any, reduce the carrying value of the investment.

## 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies. Actual results in the future can differ from these estimates, which may be material to future financial statements.

Significant estimates and underlying assumptions are reviewed on a periodic basis. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are outlined below:

#### Critical accounting estimates

Non-current assets - assessing whether indicators of impairment exist at reporting period ends and, if required, determining recoverable amounts including assumptions and inputs thereto.

Share-based compensation – management is required to make several estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate, and expected life of the instruments.

Warrants – management is required to make several estimates when measuring the value of warrants including the forfeiture rate and expected life of the instruments.

Right-of-use assets - management is required to estimate the useful lives and residual value of right-of-use assets which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of comprehensive income (loss).

Trade receivables – recoverability of receivables through the provision for doubtful accounts.

Share issued for non-cash consideration – Shares issued for non-cash consideration are measured by reference to the more reliable of the fair value of the consideration received or paid.

Fair value of investment in securities not quoted in an active market or private company investments - where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. As valuations of investments for which market quotations are not readily available are inherently uncertain, determination of fair value may differ materially from the values that would have resulted if a ready market existed.

#### 4. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder's return through enhancing the share value.

The Company monitors its capital structure and adjusts according to market conditions to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of share capital, contributed surplus, and deficit, which on September 30, 2022, totaled \$4,755,913 (December 31, 2021, \$2,007,304). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements imposed by a lending institution.

## 5. Accounts Receivable

Accounts receivables are collectible from customer sales. The following is an aging analysis of the Company's trade and other receivables:

	Total Receivable	Aging Days			
		Current	31 to 60	61 to 90	90+
December 31, 2021	\$ 805,475	787,465	14,703	-	3,307
<b>September 30, 2022</b>	<b>\$ 934,115</b>	<b>871,294</b>	<b>(6,268)</b>	<b>61,706</b>	<b>7,384</b>

On September 30, 2022, and December 31, 2021, the Company held an allowance for bad debts of \$28,791 (December 31, 2021 - \$0) which is netted from the table above.

The Company held no collateral for any receivable amounts outstanding as of September 30, 2022, and December 31, 2021.

## 6. Property and Equipment

Cost	Leasehold Improvements	Equipment	Furniture & Fixtures	Total
Balances, December 31, 2021	\$ -	\$25,474	\$ -	\$25,474
Additions	307,000	500,000	-	807,000
Balance, March 31, 2022	\$307,000	\$525,474	\$-	\$832,474
Additions	3,373	915	5,026	9,314
Balance, June 30, 2022	\$310,373	\$526,389	\$5,026	\$841,788
Additions	5,516	35,517	6,960	47,993
<b>Balance, September 30, 2022</b>	<b>\$315,890</b>	<b>\$561,906</b>	<b>\$11,986</b>	<b>\$889,782</b>

Accumulated Depreciation	Leasehold Improvements	Equipment	Furniture & Fixtures	Total
Balances, December 31, 2021	\$ -	\$849	\$ -	\$ 849

Leveljump Healthcare Corp.  
Notes to Unaudited Condensed Interim Consolidated Financial Statements  
For the Three Months and Nine Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

Depreciation for the period	12,000	1,274	-	13,274
Balance, March 31, 2022	\$12,000	\$2,123	\$ -	\$14,123
Depreciation for the period	7,584	22,107	126	29,817
Balance, June 30, 2022	\$19,584	\$24,230	\$126	\$43,940
Depreciation for the period	7,767	15,666	300	23,733
Balance, September 30, 2022	\$27,352	\$39,895	\$426	\$67,673

Carrying Value	Leasehold Improvements	Equipment	Furniture & Fixtures	Total
Balance, December 31, 2021	\$ -	\$24,625	\$ -	\$24,625
Balance, March 31, 2022	\$295,000	\$491,667	\$ -	\$786,667
Balance, June 30, 2022	\$290,789	\$502,160	\$4,900	\$797,849
Balance, September 30, 2022	\$290,346	\$522,011	\$11,560	\$823,917

## 7. Right-of-use Assets

<b>Balance, December 31, 2021</b>	<b>\$ 17,976</b>
Additions	427,986
Amortization:	(72,910)
<b>Balance, March 31, 2022</b>	<b>\$355,076</b>
Amortization:	(31,553)
<b>Balance, June 30, 2022</b>	<b>\$323,523</b>
Amortization:	(33,072)
<b>Balance, September 30, 2022</b>	<b>\$290,451</b>

Right-of-use assets consists of office space for the locations of the Company, which are amortized over the life of the individual location leases.

## 8. Intangible Assets

The Company currently holds a number of medical diagnostic imaging modality licenses issued by the Ministry of Health of Ontario. The current value of these licenses is estimated to be \$3,416,724. As the market value of these licenses appears to appreciate each year the Company is not recognizing any amortization or depreciation for these assets. The Company will conduct periodic reviews of the licenses for any impairments and adjust the value of the licenses as necessary.

## 9. Investments in Associates

- (a) Investment in Real Time Medical Inc.

The Company purchased a 25.6% interest in Real Time Medical Inc. for a total of \$2,186,162 worth of cash, stock and warrants. The Company has accounted for the transactions as an investment at fair value through profit and loss (FVTPL), with an initial aggregate acquisition cost carrying value in the amount of \$2,186,162. The investment is at level 3 in the fair value hierarchy. Management has determined that the Company does not have significant influence over these investments. The Company continues to review the accounting treatment for this investment and will make any adjustment in the future as required under IFRS. The Company has also acquired a loan due from Real Time Medical Inc. in the amount of \$128,780 plus interest payable.

(b) Investment in Associates (Shaw Vision Inc. and Shaw Lens Inc).

The Company purchased a 34.6% interest in Shaw Lens Inc. and Shaw Vision Inc. (“Shaw”). The Company has accounted for the transactions as an investment in associate, with an initial aggregate acquisition cost carrying value in the amount of \$211,000, and will follow equity accounting, with a provision for write-downs, if required, in the future. Management determined that the Company does have significant influence over these investments. The Company continues to review the accounting treatment for this investment and will make any adjustment in the future as required under IFRS.

## 10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for subcontracted radiologists and for other amounts relating to operating activities.

	September 30, 2022	December 31, 2021
Accounts Payable	\$ 650,876	\$ 780,630
Accrued Liabilities	1,143,976	1,144,974
	<u>\$ 1,794,852</u>	<u>\$ 1,925,604</u>

The standard maturity terms of the Company’s accounts and other payables are 30 to 60 days.

## 11. Long Term Debt

On February 1, 2022, the Company’s subsidiary CTS borrowed \$3,200,000 from TD Canada Trust. The initial term of the loan is 5 years with an initial 2-year interest rate of 4.02%. The loan is amortized over 10 years. Payments of \$32,378 including principal and interest on the loan are due monthly. There is an additional annual payment of principal on the balance of the loan based on 25% of EBITDA of the Company’s CTS subsidiary.

As of September 30, 2022 the principal on the loan outstanding is \$3,046,028.

## 12. Lease Liabilities

The aggregate amount of the Company’s lease payments is \$12,036 per month.

On August 1, 2019, the Company entered into a lease agreement with respect to its head office location. This lease expired on July 31, 2022 and the Company is currently renting on a month to month basis.

The leases for each of the IHF clinics that were purchased by CTS on February 1, 2022, each expire on different dates.

Belleville Xray & Ultrasound expires on December 30, 2027.

Cobourg Xray & Ultrasound expires on August 30, 2024.

Kente Xray & Ultrasound expires January 31, 2025.

	June 30, 2022	December 31, 2021
Current Portion of Lease Liabilities	\$98,629	\$ 26,580
Non-current Portion	199,621	
	<b>\$ 298,250</b>	<b>\$ 26,580</b>

### 13. Common Share Capital

#### Authorized Share Capital

Unlimited number of common shares, with no par value.

#### Common Shares Issued

	Number of common shares	Amount
<b>Balance, December 31, 2021</b>	<b>59,923,197</b>	<b>\$ 12,752,007</b>
Shares issued for debt (a)	1,000,000	120,000
Shares issued for private placements (b)(c)(d)	10,168,559	840,785
Shares issued for Real Time Medical Investment (e)(f)	7,104,805	249,621
<b>Balance, March 31, 2022</b>	<b>78,196,561</b>	<b>\$ 13,962,413</b>
Shares issued for private placements (g)	5,846,668	549,587
<b>Balance, June 30, 2022</b>	<b>84,043,229</b>	<b>\$ 14,512,000</b>
Shares issued for debt (h)	1,000,000	120,000
<b>Balance, September 30, 2022</b>	<b>85,043,229</b>	<b>\$14,632,000</b>

(a) On January 4, 2022, 1,000,000 shares were issued to officers of the Company at \$0.12 per share in exchange for \$120,000 of past due salaries.

(b) On February 2, 2022, 2,001,900 units were issued to accredited investors at a price of \$0.15 per unit for total proceeds of \$220,209. Each unit consisted of 1 common share and 1 common share purchase warrant good to purchase a share at an exercise price of \$0.20 until January 31, 2024.

- (c) On February 8, 2022, 1,183,334 units were issued to accredited investors at a price of \$0.15 per unit for total proceeds of \$118,333. Each unit consisted of 1 common share and 1 common share purchase warrant good to purchase a share at an exercise price of \$0.20 until January 31, 2024.
- (d) On March 31, 2022, 6,983,325 units were issued to accredited investors at a price of \$0.15 per unit for total proceeds of \$1,407,499. Each unit consisted of 1 common share and 1 common share purchase warrant good to purchase a share at an exercise price of \$0.20 until January 31, 2024.
- (e) On February 4, 2022, 425,000 units, consisting of 3 common shares and 1 warrant, to purchase a common share at an exercise price of \$0.35 per share with an expiry date of December 31, 2023, were issued at a deemed value of \$46,750. The units were issued in exchange for 85,000 shares of Real Time Medical.
- (f) On February 4, 2022, 6,679,805 units, consisting of 3 common shares and 1 warrant, to purchase a common share at an exercise price of \$0.35 per share with an expiry date of December 31, 2023, were issued at a deemed value of \$734,779. The units were issued in exchange for 1,335,961 shares of Real Time Medical.
- (g) On June 30, 2022, 5,846,668 units were issued to accredited investors at a price of \$0.15 per unit for total proceeds of \$877,000. Each unit consisted of 1 common share and 1 common share purchase warrant good to purchase a share at an exercise price of \$0.20 until March 31, 2024.
- (h) On July 15, 2022, 1,000,000 shares were issued to officers of the Company at \$0.12 per share in exchange for \$120,000 of past due salaries.

#### 14. Stock Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 20% of the total number of common shares issued and outstanding as of the date of the RTO transaction. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statement of loss and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on several estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

---

Number of stock options	Weighted average exercise price
-------------------------------	---------------------------------------

Leveljump Healthcare Corp.  
Notes to Unaudited Condensed Interim Consolidated Financial Statements  
For the Three Months and Nine Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

<b>Balance, December 31, 2021</b>	9,454,890	\$ 0.31
Granted	-	-
Cancelled	(120,000)	0.45
Exercised	-	-
<b>Balance, September 30, 2022</b>	<b>9,334,890</b>	<b>\$ 0.30</b>

The following table reflects the actual stock options issued and outstanding as of September 30, 2022:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
06-Dec-22	0.18	0.43	47,222	47,222
06-Dec-22	0.45	0.43	916,668	916,668
21-Dec-23	0.45	1.47	2,725,000	2,725,000
21-Dec-23	0.20	1.47	1,000,000	750,000
21-Dec-23	0.35	1.47	96,000	72,000
31-Dec-23	0.20	1.50	900,000	675,000
31-Dec-25	0.30	3.50	3,600,000	2,000,000
	0.32	2.13	9,334,890	7,185,890

## 15. Warrants

The following table reflects the continuity of warrants for the three months ended June 30, 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	23,424,073	0.35
Exercised	-	-
Granted (a)(b)(c)(d)(e)	17,436,188	0.21
Cancelled	-	-
<b>Balance, September 30, 2022</b>	<b>40,860,261</b>	<b>0.29</b>

- (a) On February 2, 2022, the Company issued 2,001,900 warrants to investors as part of a non-brokered private placement. Each warrant is exercisable into one common share at a price of \$0.20 per share and expires on January 31, 2024. The fair value assigned to the warrants has been estimated at \$86,082 using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 0.25%; dividend yield - 0%; expected stock volatility - 113% and an expected life of 2.0 years.
- (b) On February 4, 2022, the Company issued 1,420,961 warrants to the seller as part of its purchase of shares of Real Time Medical. Each warrant is exercisable into one common share at a price of \$0.35 per share and expires on December 31, 2023. The fair value assigned to the warrants has been estimated at \$45,471

using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 0.25%; dividend yield - 0%; expected stock volatility - 113% and an expected life of 1.91 years.

- (c) On February 8, 2022, the Company issued 1,183,334 warrants to investors as part of a non-brokered private placement. Each warrant is exercisable into one common share at a price of \$0.20 per share and expires on January 31, 2024. The fair value assigned to the warrants has been estimated at \$46,150 using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 0.25%; dividend yield - 0%; expected stock volatility - 113% and an expected life of 2.0 years.
- (d) On March 31, 2022, the Company issued 6,983,325 warrants to investors as part of a non-brokered private placement. Each warrant is exercisable into one common share at a price of \$0.20 per share and expires on January 31, 2024. The fair value assigned to the warrants has been estimated at \$516,766 using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 0.50%; dividend yield - 0%; expected stock volatility - 113% and an expected life of 1.84 years.
- (e) On June 30, 2022, the Company issued 5,846,668 warrants to investors as a part of a non-brokered private placement. Each warrant is exercisable into one common share at a price of \$0.20 per share and expires on March 31, 2024. The fair value assigned to the warrants has been estimated at \$327,413 using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 1.5%; dividend yield – 0%; expected stock volatility – 134% and an expected life of 1.75 years.

The following table reflects the warrants issued and outstanding as of September 30, 2022

Expiry date	Exercise price (\$)	Warrants outstanding
December 13, 2023	\$0.50	10,186,622
December 31, 2023	\$0.30	350,000
December 31, 2023	\$0.35	4,308,412
January 31, 2024	\$0.20	10,168,559
March 31, 2024	\$0.20	15,846,668
	<b>\$0.29</b>	<b>40,860,261</b>

## 16. Broker Options

As part of the concurrent Financing completed prior to the RTO transaction, the Company was required to issue 696,040 Broker options of the Company. Each Broker option entitles the holder to purchase a Unit of the Company at a price of \$0.45 good for 3 years. Each Unit consists of one common share and one warrant to purchase one common share at a price of \$0.50, which expires on December 13, 2023. The fair value of the 696,040 broker options granted is estimated at \$177,400 using the Black-Scholes model for option pricing. The assumptions underlying the fair value of the share purchase options were as follows: risk free interest rate – 0.32%; dividend yield - 0%; expected stock volatility - 90% and an option life - 3 years.

## 17. Related Party Transactions

Related parties include key management being the Company's executive officers, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The following related party transactions were conducted in the normal course of operations and were made on an arm's length basis:

	<b>Period Ended September 30, 2022</b>	Year Ended December 31, 2021
Key management compensation - salary	\$268,638	\$1,112,433
Share-based compensation	36,833	642,268
	<b>\$305,471</b>	<b>\$1,754,701</b>

On September 30, 2022, \$1,300,304 (December 31, 2021 - \$556,521) was loaned by the Company to directors of the Company. The loans are repayable up to 5 years with 1% interest rate.

On September 30, 2022, \$1,122,150 (December 31, 2021 - \$1,042,150) included in accounts payable and accrued liabilities was payable to key management personnel.

## 18. Loss Per Share

For the quarter ended September 30, 2022, basic and diluted loss per share has been calculated based on the loss attributable to common shares of \$209,617 (December 31, 2021 - \$2,228,986) and weighted average number of common shares outstanding of 84,889,383 (December 31, 2021 - 47,700,351).

On September 30, 2022 the Company had 85,043,229 common shares outstanding (see Statement of Changes in Equity). The Statement of Comprehensive Loss in this report uses the volume weighted number of shares outstanding during the quarter for calculating the loss per share.

## 19. Financial Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. Unless otherwise disclosed their carrying values approximate their fair values due to the short-term nature of these instruments.

The Company's major financial risk factors and their impact on the financial statement are summarized below:

### Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's cash and accounts receivable are exposed to credit risk. JUMP's cash is held with major Canadian-based financial institutions as such management believes that the associated credit risk is remote.

Account's receivables represent revenue earned from services rendered to hospitals. The Company has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered.

The Company's trade receivables are concentrated among customers in the healthcare industry, which may be affected by adverse government policy impacting that industry. As at September 30, 2022, three customers accounted for greater than 54% of the Company's trade receivable balance.

On September 30, 2022, and 2021, the Company's maximum exposure to credit risk was the carrying value of cash and accounts receivable. There have been no changes to this risk exposure from 2021.

#### **Liquidity risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. The Company is expanding and to meet its short and longer-term working capital requirements, the Company will attempt, if necessary, to secure further financing to ensure that those obligations are properly discharged. Operationally, the Company manages its liquidity by continuously monitoring forecasted and actual gross profit, expenses, and cash flows from operations. There have been no changes to this risk exposure from 2021.

#### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. There have been no changes to this risk exposure from 2021.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Company is exposed to interest rate risk arising from fluctuations in the bank's prime rate related to its term loans. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities such as entering fixed interest rate contracts. There have been no changes to this risk exposure from 2021.

#### **Foreign currency risk**

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred from US vendors.

#### **Fair Value**

With the exception of the Company's FVTPL investments. The carrying amount of each of the Company's

financial instruments approximates their fair value because of the short-term or demand maturities of these items.

## 20. Subsequent Events

Unless disclosed elsewhere, the Company's subsequent events comprise the following:

On November 16<sup>th</sup> the Company announced that it had acquired an existing IHF license to operate an x-ray and ultrasound center in Toronto for \$1,400,000 which included \$1,200,000 in cash and 2,000,000 common shares.

On November 16<sup>th</sup> the Company entered a 5-year lease with Rio-Can for retail space at the Yonge Sheppard Centre for the acquired IHF center noted above.

On November 16<sup>th</sup> the Company announced that as part of the transaction to acquire the IHF license, the Company sold 139,000 units consisting of Class A Series 1 Preferred Stock and 139,000 common shares, for gross proceeds of \$139,000.

On November 16<sup>th</sup> the Company entered two credit facilities with TD Canada Trust. One for \$700,000 at an interest rate of 6.66% for a period of approximately 9 years. The second is a line of credit with fixed term rates for the purchases of equipment and leasehold improvements for up to \$600,000. The proceeds will be mostly used for the purchase and equipping of the recently purchased IHF license.

On November 21<sup>st</sup> the Company announce that it had entered an agreement to purchase 4 IHF centres in Calgary, Alberta. The purchase price is \$5.88 million paid as \$5.05 million in cash and the issuance of 830,000 Class A Series 1 Preferred shares and 830,000 common shares. The 4 centres have a combined revenue of approximately \$4.76 million and EBITDA of approximately \$950,000.