



UNAUDITED CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE
30, 2024

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-Jun-24	31-Dec-23
Assets		
Current Assets		
Cash	\$ 359,333	\$ 72,247
Accounts Receivable (Note 6)	1,278,328	1,358,507
Due from Related Parties (Note 19)	1,272,811	696,152
Prepaid Expenses and Deposits	143,888	205,233
Total Current Assets	3,054,360	2,332,139
Fixed Assets		
Property and Equipment (Note 7)	4,665,651	4,450,163
Right-of-Use-Assets (Note 8)	1,659,338	1,945,430
Total Fixed Assets	6,324,989	6,395,594
Other Assets		
Goodwill (Note 10)	3,485,050	3,726,879
Investments in Associates (Note 11)	-	991,720
Intangible Assets (Note 12)	6,162,523	6,094,816
Total Other Assets	9,647,573	10,813,415
Total Assets	\$19,026,922	\$19,541,147
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 13)	2,993,476	2,717,074
Operating Line of Credit	148,139	148,683
Preferred Dividends Payable	220,380	91,740
Current Portion of Lease Liabilities	533,551	542,065
Current Portion of Long-Term Debt	774,435	774,435
Total Current Liabilities	4,669,981	4,273,996
Non-Current liabilities		
Long Term Debt (Note 14)	6,484,705	6,823,307
Lease Liabilities (Note 15)	1,185,246	1,440,815
Preferred Shares Obligation (Note 16)	1,840,500	1,840,500
Statute Barred Liabilities	222,327	222,327
Total Non-Current Liabilities	9,732,778	10,326,949
Total Liabilities	14,402,759	14,600,945
Shareholders' Equity		
Share Capital (Note 16)	16,230,025	16,224,025
Contributed Surplus	5,403,863	5,403,863
Retained Earnings	\$ (17,009,724)	\$ (16,687,685)
Total Shareholders' Equity	4,624,163	4,940,203
Total Liabilities and Shareholders' Equity	\$ 19,026,922	\$ 19,541,147

The accompanying notes to the consolidated financial statements are an integral part of these statements.
 Nature of operations and going concern (note 1)
 Subsequent events (note 23)

Approved on behalf of the Board:

/s/Robert Landau /s/Mitchell Geisler
 (Signed) Director (Signed) Director

Leveljump Healthcare Corp.

Unaudited Condensed Interim Consolidated Statement of Income/(Loss) and Comprehensive Income/
(Loss)

	Three Months Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Revenues				
Telehealth Services	\$ 2,398,616	\$ 2,668,876	\$ 4,686,960	\$ 5,114,672
Diagnostic Imaging Services	2,020,728	453,170	3,788,833	885,605
Total Revenue	4,419,344	3,122,046	8,475,792	6,000,277
Cost of Services				
Physician Fees	2,177,124	1,982,112	4,346,545	3,772,609
Cost of Labour	797,096	172,010	1,516,167	361,576
Cost of Supplies	94,642	6,988	190,346	16,009
Other Cost of Services	116,573	93,781	230,513	160,023
Repairs & Maintenance	32,382	6,068	92,259	14,501
Amortization	125,345	21,285	250,690	42,569
Depreciation	164,864	46,036	328,273	91,199
Total Cost of Services	3,508,026	2,328,280	6,954,792	4,458,486
Gross Profit	911,318	793,766	1,521,001	1,541,791
Expenses				
Professional & Consulting Fees	405,984	623,874	841,678	1,147,006
Salaries and Wages	25,571	172,237	206,577	373,908
General and Administrative	80,454	112,022	217,619	200,904
Depreciation and Amortization	27,429	52,797	48,714	78,425
Insurance	19,171	23,763	35,205	48,006
Listing Expenses	14,863	32,545	35,541	62,003
Stock Based Compensation	-	-	6,000	-
Total Operating Expenses	573,473	1,017,238	1,391,333	1,910,252
Net Profit (Loss) before Interest and undernoted items	337,846	(223,472)	129,667	(368,461)
Other Income/Expense				
Other Income				
Gain on Sales of Investments	98,130	114,000	98,130	114,000
Miscellaneous Income	20,467	96	16,513	2,604
Total Other Income	118,597	114,096	114,643	116,604
Other Expenses				
Interest Expense	271,055	61,461	506,844	117,174
Broker Commissions	-	66,500	-	66,500
Income Tax	-	-	-	9,202
Gain/Loss on Fixed Assets	-	-	47,413	-
Other Miscellaneous Expenses	6,072	(13)	5,785	474
Foreign Exchange Loss	-	313	6,307	396
Total Other Expenses	277,126	128,261	566,349	193,746
Total Other Income/Expense	(158,529)	(14,165)	(451,706)	(77,142)
Net Income/(Loss) and Comprehensive Income/(Loss)	179,316	\$ (237,637)	\$ (322,039)	\$ (445,603)
Basic and Diluted Net Comprehensive Income (loss) per share	\$ 0.002	\$ (0.003)	\$ (0.003)	\$ (0.005)
Weighted Average Common Shares Outstanding				
- basic and diluted (Note 20)	96,484,729	89,211,487	96,484,729	87,466,868

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

Leveljump Healthcare Corp.

Unaudited Condensed Interim Consolidated Statement of Changes of Cash Flows

(Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Cash flows from operating activities				
Cash generated from operations (Note 5)	641,628	(250,136)	1,443,735	141,938
Interest paid	(206,735)	-	(378,204)	-
Net cash inflow from operating activities	434,893	(250,136)	1,065,531	141,938
Cash flows from investing activities				
Payments for property, plant and equipment	(360,648)	(225,236)	(670,395)	(747,809)
Proceeds from Sales of Investments	784,000	211,000	1,084,000	211,000
Payment of software development costs	(2,646)	-	-	-
Loans to related parties	(138,121)	(170,794)	(576,659)	(133,504)
Development of Intangible Assets	-	-	(12,707)	-
Acquired ROU Assets	-	-	-	(101,282)
Net cash (outflow) from investing activities	282,585	(185,030)	(175,761)	(771,595)
Cash flows from financing activities				
Proceeds from issues of equity	-	950,000	-	950,000
Proceeds from borrowings	(196,447)	(97,998)	(338,602)	68,523
Proceeds from Preferred Shares	-	(2,780)	-	(4,560)
Principal elements of lease payments	(129,800)	(58,025)	(264,082)	-
Net cash (outflow) from financing activities	(326,247)	791,197	(602,684)	1,013,963
Net increase in cash and cash equivalents	391,232	356,031	287,086	384,306
Cash at the beginning of the period	(31,899)	111,233	72,247	82,958
Cash and cash equivalents at end of the period	359,333	467,264	359,333	467,264

The accompanying notes to the consolidated financial statements are an integral part of these 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 (Deficit)
	Number of common shares	Amount			
Balance, December 31, 2022	87,157,229	15,624,067	5,051,321	(14,479,568)	\$ 6,195,820
Common shares issued (Note 16)	9,267,500	599,958	-	-	599,958
Issuance of warrants and options (Note 17, 18)	-	-	352,542	-	352,542
Net loss for the period	-	-	-	(2,208,117)	(2,208,117)
Balance, December 31, 2023	96,424,729	16,224,025	5,403,863	(16,687,685)	\$ 4,940,203
Common shares issued (Note 16)	60,000	6,000	-	-	6,000
Net loss for the period	-	-	-	(322,039)	(322,039)
Balance, June 30, 2024	96,484,729	16,230,025	5,403,863	(17,009,724)	\$ 4,624,164
Balance, December 31, 2021	59,923,197	12,882,660	3,736,107	(14,714,335)	\$ 1,977,206
Common shares issued (Note 16)	27,234,032	2,741,407	-	-	2,741,407
Stock Based Compensation	-	-	293,332	-	293,332
Issuance of warrants and options (Note 17, 18)	-	-	1,021,882	-	1,021,882
Net income for the year	-	-	-	234,767	234,767
Balance, December 31, 2022	87,157,229	15,624,067	5,051,321	(14,479,568)	\$ 6,195,820
Common shares issued (Note 16)	7,312,500	764,400	-	-	764,400
Conversion of Preferred Shares to Common	-	2,250	17,500	-	19,750
Issuance of warrants and options (Note 17, 18)	-	-	165,600	-	165,600
Net loss for the period	-	-	-	(445,603)	(445,603)
Balance, June 30, 2023	94,469,729	16,390,717	5,234,421	(14,925,171)	\$ 6,699,967

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") is incorporated under the Ontario Business Corporations Act. The Company trades on the TSXV exchange under the stock symbol JUMP.

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 52 Scarsdale Road, Suite 207, Toronto, Ontario, M3B 2R7.

Going concern

These consolidated financial statements have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company had comprehensive income of \$179,316 for the three months ended June 30, 2024 (June 30, 2023, loss of \$(237,635)), and a comprehensive loss of \$(322,039) for the six months ended June 30, 2024 (June 30, 2023 - \$(445,603)). As of June 30, 2024, the Company's accumulated deficit was \$(17,009,724) (December 31, 2023, \$(16,687,685)) and working capital of \$(1,615,621) (December 31, 2023 - \$(1,941,858)). These conditions indicate that material uncertainties exist that 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 generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Significant Accounting Policies

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").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of August 21, 2024, the date the Board of Directors approved the statements.

Basis of presentation and consolidation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value, as explained in the accounting policies. The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Canadian Teleradiology Services, Inc., ADC Imaging Inc. and Telehospital Canada Inc.

Name	Country of Incorporation	Ownership %	Functional Currency
Canadian Teleradiology Services, Inc.	Canada	100%	CDN \$
ADC Imaging Inc.	Canada	100%	CDN \$
Telehospital Canada Inc.	Canada	100%	CDN \$

The subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company, and its subsidiaries.

Revenue recognition

The Company generates almost all of its revenue from the provision of teleradiology services to hospitals and imaging centres, or radiology groups, as well as from providing medical imaging scans directly to patients from its wholly owned Independent Healthcare Facilities ("IHF"'s). These scans may include x-ray, ultrasound, mammogram, bone mineral density and fluoroscopy. 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 that the Company has satisfied all performance obligations at that point. Revenue for scans provided to patients is recognized once the scan has been completed and reported on by a radiologist to the referring physician.

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 did not have any cash equivalents as at June 30, 2024 (\$nil – December 31, 2023).

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 adjusts 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 the statement of income/(Loss) 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 using 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.

The fair value of the share-based payment is recognized as an expense with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the

related contributed surplus amount is transferred to share capital

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.

Contingencies

Contingency: A condition or situation whose ultimate outcome (gain or loss) will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Liability: A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Asset: A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Liabilities:

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

If it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation, a provision is recognized in the financial statements.

Contingent Assets:

Contingent assets are not recognized in the financial statements but are disclosed where an inflow of economic benefits is probable.

If it becomes virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the financial statements.

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized on the Statements of Financial Position at the time the Company becomes a party to the contractual terms and provisions of the financial instrument.

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 receivable	Amortized cost
Loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Operating line of credit	Amortized cost
Long term debt	Amortized cost
Due from/to related parties	Amortized cost
Class A-1 Preferred Shares	Amortized cost

Convertible preference shares are classified as a non-derivative financial liability based on the terms of the contract. Upon issuance, convertible preference shares are recognized at fair value. Subsequently, they are measured at amortized cost until extinguished through conversion or redemption.

Accounts Receivable and expected credit loss

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the creditworthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

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. Depreciation is computed by the straight-line method, based on the estimated useful lives of the assets, as follows:

Leasehold improvements	Life of lease, straight-line method
Medical Equipment	10 years, straight-line method
Computer Equipment	3 years, straight-line method

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged against profit or loss during the reporting period in which they are incurred.

Intangible assets

Intangible assets are recorded at cost, less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a business combination are measured at fair value at the acquisition date.

Amortization begins when assets become available for use. The estimated useful life, amortization method, and rate are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with an indefinite life are not subject to amortization. Amortization is computed by the straight-line method, based on the estimated useful lives of the assets, as follows:

Computer Software	3 years, straight-line method
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Policies for calculating the cost for intangible assets:

Computer Software – Acquired computer software licenses are capitalized based on the costs incurred to acquire and install the specific software. Subsequent expenditures on brands are expensed if less than \$5,000 and if greater than \$5,000 are capitalized into the cost of the computer software asset. Costs associated with maintaining computer software (expenditures relating to patches and other minor updates as well as their installations), are expensed as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any intangible asset such as Goodwill with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment. To determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on several factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment considers factors such as economic and market conditions as well as any changes in the expected use of the assets.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

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 3,600,000 stock options, 7,200,000 warrants to purchase common stock, and 2,094,000 convertible preferred shares, dilutive instruments as of March 31, 2024, and; 3,600,000 stock options, and 33,214,927 warrants to purchase common stock, and 2,094,000 convertible preferred shares dilutive instruments as at December 31, 2023.

Gain on bargain purchase

Gain of bargain purchase represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired.

In the case where a corporate entity is acquired by another for an amount that is less than the fair market value of its net assets, a gain on bargain purchase may arise.

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 when temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases are 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 assets to be recovered.

Investment in associates

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. Investment in associates is 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.

Investments

Investments are comprised of financial instruments that are recognized initially at fair value and subsequently adjusted to fair value through profit or loss ("FVTPL"). The Company records its initial investment at a cost which approximates fair value in private companies in which it doesn't have significant influence as portfolio

investments.

3. Significant Accounting Judgments, 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

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.

Useful lives and impairment of long-lived assets - Long-lived assets are defined as property, plant, and equipment and intangible assets. Depreciation and amortization are dependent upon estimates of useful lives and impairment is dependent upon estimates of recoverable amounts. These are determined through the exercise of judgment and are dependent upon estimates that consider factors such as economic and market conditions, frequency of use, anticipated changes in laws, and technological improvements.

Deferred tax assets - the Company recognizes deferred tax assets only to the extent that it considers it probable that those assets will be recoverable. The Company makes assumptions about when deferred tax assets are probable to reverse, the extent to which it is probable that temporary differences will reverse and whether or not there will be sufficient taxable profits available to realize the tax assets when they do reverse. In making these judgments, the Company continually evaluates the magnitude and duration of any past losses, current profitability and whether it is sustainable, and earnings forecasts.

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.

Business combinations - Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on either fair value less cost of disposal, or value in use.

Critical judgments in applying accounting policies

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs after the issuance of the consolidated financial statements. Judgment is also required in assessing whether the realization of tax losses against future taxable income for income tax purposes is probable.

Going concern – the assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

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 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 June 30, 2024 totaled \$16,230,025 (December 31, 2023 - \$16,230,025). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investment and financing activities.

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5. Cash Flow Information

Cash Generated from Operations

	Three Months Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit before income tax from:				
Continuing operations	179,316	(237,635)	(322,039)	(445,604)
Profit before income tax including discontinued operations	179,316	(237,635)	(322,039)	(445,604)
Adjustments for:				
Depreciation and Amortization	310,472	110,242	627,676	202,317
Share-based payments	-	-	6,000	-
Net (gain)/loss on sale of non-current assets	-	-	47,413	-
Fair value (gains) on non-current financial assets	-	-	24,967	-
Finance costs	271,055	-	506,844	-
Net exchange differences	-	-	6,307	-
Change in operating assets and liabilities				
(Increase)/Decrease in Accounts receivable	(81,175)	92,222	80,178	175,592
Decrease/(Increase) in Prepaid assets	34,345	3,613	61,345	3,613
Increase/(Decrease) in Accrued liabilities	(72,385)	(218,578)	405,042	206,020
Cash generated from operations	641,628	(250,136)	1,443,735	141,938

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6. Accounts Receivable

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

	<u>Aging Days</u>				
	Total Receivable	Current	31 to 60	61 to 90	90+
31-Dec-23	\$1,358,507	1,006,898	237,061	76,892	37,656
30-Jun-24	\$1,278,328	1,154,531	37	3,012	120,748

As at June 30, 2024 and December 31, 2023, no impairment was recorded for any portion of the trade receivables. Credit risk is discussed in note 21.

Included in the accounts receivable balance on June 30, 2024, is an HST receivable of \$81,758 (December 31, 2023 - \$50,460).

The Company held no collateral for any receivable amounts outstanding at any time.

7. Property and Equipment

Cost	Leasehold Improvements	Equipment	Computers	Furniture & Fixtures	Total:
Balance, December 31, 2022	\$ 377,772	\$ 615,491	\$ 161,954	\$ 11,986	\$ 1,167,203
Acquisition of Subsidiaries	1,062,000	937,522	24,780		2,024,302
Additions	1,013,018	593,094	102,389	7,436	1,715,936
Disposals	-	-	-	(19,421)	(19,421)
Balance, December 31, 2023	\$ 2,452,790	\$ 2,146,107	\$ 289,123	\$ 0	\$ 4,888,019
Additions	555,958	20,354	-	-	576,312
Disposals	-	-	(23,488)	-	(23,488)
Balance, June 30, 2024	\$ 3,008,748	\$ 2,166,461	\$ 265,635	\$ 0	\$ 5,440,844
Accumulated Depreciation	Leasehold Improvements	Equipment	Computers		Total:
Balance, December 31, 2022	\$ 81,335	\$ 46,455	\$ 8,919	\$ 847	\$ 137,556
Depreciation for the period	246,728	39,380	15,039	(847)	300,300
Balance, December 31, 2023	\$ 328,063	\$ 85,835	\$ 23,958	\$ 0	\$ 437,856

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Depreciation for the period		199,071	100,028	38,238	-	337,336
Balance, June 30, 2024	\$	527,134	\$ 185,863	\$ 62,196	\$ 0	\$ 775,193

Carrying Value		Leasehold Improvements	Equipment	Computers		Total:
Balance, December 31, 2022	\$	296,437	\$ 569,036	\$ 153,035	\$ 11,139	\$ 1,029,647
Balance, December 31, 2023	\$	2,124,727	\$ 2,060,272	\$ 265,165	\$ 0	\$ 4,450,163
Balance, June 30, 2024	\$	2,481,614	\$ 1,980,598	\$ 203,439	\$ 0	\$ 4,665,651

For the period ended June 30, 2024, Depreciation charged to Cost of Services and Operating Expenses were \$328,273 and \$6,144 respectively (December 31, 2023 - \$257,622 and \$nil)

8. Right-of-use Assets

Balance, December 31, 2022	\$266,812
Additions	2,020,323
Amortization:	(341,705)
Balance, December 31, 2023	\$1,945,430
Additions	-
Amortization:	(286,092)
Balance, June 30, 2024	\$1,659,338

Right-of-use assets consist of rented space which is amortized over the life of the lease.

For the period ended June 30, 2024, Amortization of \$250,690 was charged to Cost of Services (December 31, 2023 - \$256,567) and \$35,402 (December 31, 2023 - \$85,138) was charged to Operating Expenses.

In 2022 the Company acquired three leases as part of its acquisition of IHF's in Ontario, and recorded lease liabilities and corresponding right of use assets of \$356,879. The liability was measured by totaling the net present value of the remaining lease payments for each lease using a discount rate of 5%, the incremental rate of borrowing for the Company.

In 2023 the Company acquired four leases as part of its acquisition of IHF's in Alberta, and entered a fifth lease in Ontario, and recorded lease liabilities and corresponding right of use assets of \$2,020,323. The liability was measured by totaling the net present value of the remaining lease payments for each lease using a discount rate of 8%, the incremental rate of borrowing for the Company.

9. Acquisitions

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On February 1, 2022, the Company purchased three Independent Health Facilities (“IHF”s) in Ontario, for the purpose of operating them to make a profit. Two of the acquisitions were share purchases of 100% of the acquired companies and one was an asset purchase. All the acquisitions were determined to be business combinations as per IFRS 3 and accounted for using the Acquisition Method. The total purchase price was \$4.3 million, paid in cash.

The fair value of the consideration is as follows:

Purchase Price:	\$4,300,000
Cash and other receivables	127,152
Property Plant and Equipment	699,691
Deposits and Prepays	9,600
Right of Use Assets	356,879
IHF Licenses	4,800,000
Accounts payable	(5,085)
Advances	50,255
Lease Liabilities	(356,879)
Deferred Revenues	(14,572)
Income Taxes	10,458
Gain on Bargain Purchase	\$ 1,038,524
	\$ 5,433,824

On November 14, 2022, the Company purchased an additional IHF license. This purchase was determined not to meet the definition of a business as per IFRS 3 as substantially all the fair value of the purchase was concentrated in one asset: the license acquired. This purchase has been accounted for as an asset acquisition. The purchase price was \$1.38 million paid as \$1.2 million in cash and \$180,000 in the form of 2 million shares of Company common stock.

On October 6, 2023, the Company purchased four Independent Health Facilities (“IHF”s) in Alberta for the purpose of operating them to make a profit. The acquisitions were share purchases of 100% of the acquired companies. The acquisitions were determined to be business combinations as per IFRS 3 and accounted for using the Acquisition Method. The total purchase price was \$5,761,000, paid as \$4,631,500 in cash, 1,130,000 Class A-1 Preferred Shares (see Note 17) with a value of \$1,045,250 and 1,130,000 common shares of the Company with a value of \$84,750 in common shares of the Company. The Company also agreed to pay five times EBITDA for any EBITDA derived from the restarting of fluoroscopy services in the first two 12-month periods following the date of acquisition. Currently the Company has only been able to begin very preliminary fluoroscopy operations and as a result no provision has been made for any contingent compensation for the acquisition of these IHFs.

The fair value of the consideration is as follows:

Purchase Price:	\$5,761,500
Cash	640,987
Accounts receivable	113,623

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Property and Equipment	1,999,522
Deposits and Prepaids	129,567
Right of Use Assets	1,051,213
Accounts payable & Accrued Liabilities	(670,671)
Loans	(160,000)
Lease Liabilities	(1,051,213)
Income Taxes	(18,407)
Goodwill	3,726,879
	<u>\$ 5,761,500</u>

The fair value of property and equipment at acquisition date was determined by management with input from independent third-party specialists.

For values of Right of Use Assets see Note 8.

Goodwill was measured as the difference between the purchase price for the acquisition less the net value of the assets acquired. Goodwill represents the cost savings and operating synergies to result from combining the operations of the acquisitions with the Company and intangible assets that do not qualify for separate recognition such as market reputation.

The fair values of the assets and liabilities acquired in the business combination are provisional and may be subject to adjustments during the measurement period.

10. Goodwill

The movements in the net carrying amount of goodwill are as follows:

Balance, December 31, 2022	\$ 0
Acquired through business combination	3,726,879
Balance, December 31, 2023	\$3,726,879
Balance, June 30, 2024	\$3,726,879

For periodic impairment testing, goodwill is allocated to the cash generating units expected to benefit from which the goodwill arises as set out below, and is compared to its recoverable value:

Goodwill Allocated to Cash Generating Units	June 30, 2024	December 31, 2023
IHF A	\$1,279,319	\$1,279,319
IHF B	\$1,377,336	\$1,377,336
IHF C	\$880,592	\$880,592
IHF D	\$189,632	\$189,632
	<u>\$ 3,726,879</u>	<u>\$ 3,726,879</u>

For the period ended June 30, 2024, the Company had identified each of its IHF locations as a Cash Generating Unit (“CGU”).

For impairment tests performed as at June 30, 2024, the recoverable amount of each CGU or group of CGUs was determined based on its value-in-use using a discounted cash flow approach.

Discounted cash flows were based on ten-year cash flow projections derived from financial budgets or forecasts approved by management using the following key assumptions:

Average annual revenue growth rate

The average annual revenue growth rate for each CGU or group of CGUs was estimated based on historical growth and management’s expectations of market development.

Discount rate

The discount rate for each CGU or group of CGUs was determined by estimating a weighted average cost of capital reflecting the time value of money and risks associated with the business.

Terminal growth rate

The terminal growth rate is based on management's current assessment of the long-term growth outlook for each CGU or group of CGUs and expected economic conditions in the jurisdiction in which it operates.

Impairment test results:

The Company did not recognize an impairment loss related to goodwill as of June 30, 2024, because the recoverable amounts of the Company’s CGUs or groups of CGUs, as applicable, exceeded their carrying values.

Sensitivity analysis:

For the impairment tests performed as at June 30, 2024, the Company determined that a reasonably possible change in each key assumption, including possible consequential changes between key assumptions, would not result in an impairment loss.

11. Investments

Investment in Real Time Medical Inc.

The Company purchased a 25.21% interest in Real Time Medical Inc. for a total of \$2,183,496 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 \$2,183,496. 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 has also acquired a loan due from Real Time Medical Inc. in the amount of \$128,780 plus interest payable. On September 30, 2023, the Company agreed to a legal settlement with Real Time Medical Inc., whereby Real Time Medical would purchase the Company’s shares in RTM for \$1,084,000, and the Company would forgive a \$128,780 debt owed from Real Time Medical. As a result, the

Company recognized a loss on the debt of \$128,780 and a loss on the Real Time Medical shares of \$1,099,496.

12. Intangible Assets

The Company owns four independent health facilities licenses received from the Ontario Ministry of Health and Long-Term Care with a cost of \$6,074,593. The licenses are an intangible asset with an indefinite life. As such the Company does not recognize any amortization on the value of the licenses. The Company evaluates the licenses on an on-going basis for any impairment to their value. The Company tests the recoverability of its intangible assets annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets recoverability is tested based on the higher of fair value less costs to sell and the value in use model. At December 31, 2023, the Company conducted its annual impairment assessment, and applied a fair value less costs to sell valuation technique, using comparable transactions in the marketplace, and determined the intangible assets were not impaired.

The movements in the net carrying amount of intangible assets are as follows:

Balance, December 31, 2022	\$6,074,593
Additions	20,223
Balance, December 31, 2023	\$6,094,816
Additions	67,707
Balance, June 30, 2024	\$6,162,523

For annual impairment testing, intangible assets are allocated to the operating segments expected to benefit from which the intangible asset arises as set out below, and is compared to its recoverable value:

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Intangible Assets Allocated to Cash Generating Units	June 30, 2024	December 31, 2023
IHF A	1,960,918	1,905,918
IHF B	827,386	827,385
IHF C	1,905,919	1,905,918
IHF D	1,435,370	1,435,370
Telehospital Portal	32,930	20,223
	\$6,162,523	\$6,094,816

For the period ended June 30, 2024, the Company had identified each of its IHF locations as a Cash Generating Unit (“CGU”).

For impairment tests performed as at June 30, 2024, the recoverable amount of each CGU or group of CGUs was determined based on its value-in-use using a discounted cash flow approach.

Discounted cash flows were based on ten-year cash flow projections derived from financial budgets or forecasts approved by management using the following key assumptions:

Average annual revenue growth rate

The average annual revenue growth rate for each CGU or group of CGUs was estimated based on historical growth and management’s expectations of market development.

Discount rate

The discount rate for each CGU or group of CGUs was determined by estimating a weighted average cost of capital reflecting the time value of money and risks associated with the business.

Terminal growth rate

The terminal growth rate is based on management's current assessment of the long-term growth outlook for each CGU or group of CGUs and expected economic conditions in the jurisdiction in which it operates.

Impairment test results:

The Company did not recognize an impairment loss related to intangible assets as at June 30, 2024 because the recoverable amounts of the Company’s CGUs or groups of CGUs, as applicable, exceeded their carrying values.

Sensitivity analysis:

For the impairment tests performed as at June 30, 2024, the Company determined that a reasonably possible change in each key assumption, including possible consequential changes between key assumptions, would not result in an impairment loss.

13. 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.

	30-Jun-24	31-Dec-23
Accounts Payable	\$2,885,185	\$2,529,559
Accrued Liabilities	108,291	187,515
	<u>\$2,993,476</u>	<u>\$2,717,074</u>

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

14. Long Term Debt

The Company's long-term debt agreements are summarized below:

	30-Jun-24	31-Dec-23
Bank Loans	6,177,305	6,557,352
Equipment Loans	307,400	265,955
plus current portion	774,435	774,435
	<u>7,259,140</u>	<u>7,597,742</u>

During the period ended June 30, 2024, the Company had various bank loans outstanding as well as equipment loans. The interest rates on the loans vary from 6.28% to 9.99%. The bank loans are secured by a general security agreement representing a first charge on all the Company's present and future acquired assets. The equipment loan is secured by medical equipment specifically assigned by the Company. The bank loans have a 5-year term, are due in 2027, and are amortized over 10 years. The Equipment loans are amortized over 5 years and are due in 2028.

Financial covenants

The bank loans subject to financial covenants as follows:

- a) Maintain a Debt Service Coverage ratio (DSC) of not less than 115%.
- b) Maintain a maximum Funded Debt to Adjusted EBITDA Ratio of 3.00x after approximately 1 year of the loans being outstanding.

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As at June 30, 2024, the Company was in compliance with the financial covenants associated with the loans above.

Operating line of credit

The Company has an operating line of credit to the Company for \$150,000. The Line of Credit is part of the loan facility agreement for the bank loans and is due on demand, with an interest rate of prime +1.5%, and interest paid monthly. The balance of the line of credit was \$148,139 as at June 30, 2024 (December 31, 2023 - \$148,683).

15. Lease Liabilities

As at June 30, 2024, the aggregate amount of the Company's lease payments is \$90,012 per month (December 31, 2023 - \$90,012 per month).

Balance, December 31, 2022	\$274,338
Additions	2,020,323
Repayments	(380,964)
Interest Expense	69,182
Balance, December 31, 2023	\$1,982,879
Additions	-
Repayments	(293,388)
Interest Expense	29,306
Balance, June 30, 2024	\$1,718,797

The following table shows the Company's aggregate future lease payments by year.

Year	Remaining Lease Payments
2024	\$ 522,581
2025	\$ 858,169
2026	\$ 797,796
2027	\$ 578,732
2028	\$ 616,587
2029	\$ 378,896

16. Share Capital

Authorized Share Capital

Unlimited number of common shares, with no par value.

10,000,000 Class A-1 Preferred shares with a par value of \$1.00 per share.

Each Preferred Share is non-voting, carries a cumulative annual dividend of 12% payable quarterly, along with a top up dividend of 25% of the portion of the Company's EBITDA that is above \$2,000,000 per year, divided by the then outstanding Preferred Shares. The Preferred Shares are redeemable on December 31, 2027, (the "Redemption Date") after issuance at a price of \$1.00 per Preferred Share (or at a price of \$1.10 per Preferred Share, at the option of the Company, if redeemed any time prior to the Redemption Date) together with all accrued and unpaid dividends. The Preferred Shares are also convertible at the holder's option, prior to being redeemed or called, into common shares of the Company at a price of \$0.20 per Common Share. Subject to applicable law and to certain exceptions, the Company may, at any time prior to the Redemption Date, purchase for cancellation all or any number of the Preferred Shares outstanding from time to time at any price in the open market if they are listed or posted for trading on a stock exchange or by tender available to all of holders of Preferred Shares or by private agreement or otherwise.

The preferred shares are classified in the financial tables as non-current liabilities, since they do not meet the equity conditions in IAS 32.

The preferred shares were valued at the price of each unit sold, which was \$1.00 per unit, with a unit consisting of 1 Class A-1 Preferred Share and 1 Common share. The common shares were valued at the market of \$0.10 with the balance of \$0.90 of each unit being assigned to the preferred shares less expenses for broker fees.

Common Shares Issued

	Number of common shares	Amount
Balance, December 31, 2022	87,157,229	\$15,624,067
Shares issued for preferred conversion (a)	62,500	-
Shares issued for private placements (b)(c)(d)(e)(f)(g)	9,205,000	599,958
Balance, December 31, 2023	96,424,729	\$16,224,025
Shares issued for employee services (h)	60,000	6,000
Balance, June 30, 2024	96,484,729	\$16,230,025

Year Ended December 31, 2023

- a) On March 31, 2023, 25,000 Class A-1 Preferred Shares were converted into 62,500 common shares at \$0.40 per common share.
- b) On June 5, 2023, 7,200,000 units were issued to accredited investors at a price of \$0.125 per unit for total proceeds of \$900,000. 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 May 31, 2025.
- c) On June 5, 2023, 50,000 shares were issued as part of Units of the Class A-1 Preferred offering. The common shares were valued at \$0.10 each.
- d) On September 25, 2023, 575,000 shares were issued as part of Units of the Class A-1 Preferred offering. The common shares were valued at \$0.10 each.

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- e) On September 28, 2023, 150,000 shares were issued as part of Units of the Class A-1 Preferred offering. The common shares were valued at \$0.10 each.
- f) On October 2, 2023, 100,000 shares were issued as part of Units of the Class A-1 Preferred offering. The common shares were valued at \$0.075 each.
- g) On October 6, 2023, 1,130,000 shares were issued as part Units of the Class A-1 Preferred offering. The common shares were valued at \$0.075 each.

Period Ended June 30, 2024

- h) On January 4, 2024, 60,000 shares were issued on the conversion of RSU by an employee. The shares were valued at \$0.10 each.

Class A-1 Preferred Shares Issued

	Number of preferred shares	Amount
Balance, December 31, 2022	114,000	\$102,600
Shares converted into common shares (a)	(25,000)	(22,500)
Shares issued for private placements (b)(c)(d)(e)	2,005,000	1,760,400
Balance, December 31, 2023	2,094,000	\$1,840,500
Balance, June 30, 2024	2,094,000	\$1,840,500

Year ended December 31, 2023

- (a) On March 31, 2023, 25,000 Class A-1 Preferred Shares were converted into 62,500 common shares at \$0.40 per common share.
- (b) On June 5, 2023, 50,000 shares were issued as part of Units of the Class A-1 Preferred offering. The shares were valued at \$0.90 each.
- (c) On September 25, 2023, 575,000 shares were issued as part of Units of the Class A-1 Preferred offering. The shares were valued at \$0.90 each.
- (d) On September 28, 2023, 150,000 shares were issued as part of Units of the Class A-1 Preferred offering. The shares were valued at \$0.90 each.
- (e) On October 2, 2023, 100,000 shares were issued as part of Units of the Class A-1 Preferred offering. The shares were valued at \$0.90 each.
- (f) On October 6, 2023, 1,130,000 shares were issued as part of Units of the Class A-1 Preferred offering. The shares were valued at \$0.90 each.

17. 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

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are granted for 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
Balance, December 31, 2022	8,287,668	\$0.36
Granted	-	-
Expired/Cancelled	(4,687,668)	0.45
Exercised	-	-
Balance, December 31, 2023	3,600,000	\$0.20
Balance, June 30, 2024	3,600,000	\$0.20

The following table reflects the actual stock options issued and outstanding as of June 30, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
31-Dec-25	0.20	1.50	3,600,000	3,600,000

18. Warrants

The following table reflects the continuity of warrants for the year ended June 30, 2024:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	40,860,261	\$ 0.29
Exercised	-	-
Granted (a)	7,200,000	0.20
Expired/Cancelled	(14,845,334)	0.29
Balance, December 31, 2023	33,214,927	\$ 0.20

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Expired/Cancelled	(26,014,927)		
Balance, June 30, 2024	7,200,000	\$	0.20

Year ended December 31, 2023

- (a) On June 5, 2023, the Company issued 7,200,000 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 May 31, 2025. The fair value assigned to the warrants has been estimated at \$345,600 using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate – 3.93%; dividend yield – 0%; expected stock volatility – 128% and an expected life of 2.00 years.

The following table reflects the warrants issued and outstanding as of March 31, 2024:

Expiry date	Exercise price (\$)	Warrants outstanding
31-May-25	\$0.20	7,200,000
	\$0.20	7,200,000

19. 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 during the period ended June 30, 2024:

	Period Ended	Year Ended
	March 31, 2024	December 31, 2023
Key management compensation	\$558,794	\$1,367,648
	\$558,794	\$1,367,648

Both the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) provide their services to the Company through a third-party company Leveljump Inc. that is owned 50% by the CEO and 50% by the CFO. These services are currently billed at \$43,846 per month for each officer plus HST. Total consulting fees billed by Leveljump Inc. for the period ending June 30, 2024, were \$558,794 plus HST (December 31, 2023 - \$1,210,307).

The Company also leases its head office location from Leveljump Inc. for \$8,000 per month plus HST. The Company has recognized a Right of Use asset of \$425,692 for the lease of the head office along with a corresponding Lease Liability of \$425,692 for the lease of the head office. The amounts are amortized each month and the balance of the liability as at June 30, 2024 was \$309,560 (December 31, 2023 - \$349,240).

As of June 30, 2024, \$1,511,949 (December 31, 2023 - \$986,171) was loaned by the Company to Leveljump Inc. and \$324,921 was loaned to the CEO (December 31, 2023 - \$324,921) and \$438,090 to the CFO (December 31, 2023 - \$438,090). These loans are partially offset by past due salaries and wages due to the CEO of \$ 670,969 (December 31, 2023 - \$670,969) and to the CFO of \$ 331,181 (December 31, 2023 - \$331,181). The past-due salaries are presented in accounts payable and accrued liabilities. Most of the loans are related to a salary deferral program to allow for more advantageous tax planning by the senior management. The Company expects the deferrals and loans to be settled in the fiscal year 2024. The loans are unsecured and non-interest bearing.

20. Net Income Per Share

For the quarter ended June 30, 2024, basic and diluted income per share has been calculated based on the net income attributable to common shares of \$179,316 (June 30, 2023 – loss of \$(237,637)) and weighted average number of common shares outstanding of 96,484,729 (2023 – 89,211,487).

As at June 30, 2024 the Company had 96,484,729 common shares outstanding (see Statement of Changes in Equity). The Statement of Comprehensive Income in this report uses the volume weighted number of shares outstanding during the year for calculating the net income per share.

21. 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.

Accounts receivable represent revenue earned from services rendered to hospitals and patients at its IHF clinics. 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 June 30, 2024, four customers accounted for greater than 50% of the Company's trade receivable balance.

As at June, 2024, and December 31, 2023, 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 2023.

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 2023.

The following tables illustrate the contractual maturities of financial liabilities for June 30, 2024, and December 31, 2023:

March 31, 2024	Payments Due by Period			
	Total	< 1 year	1-5 years	5+ years
Accounts Payable and Accrued Liabilities	\$2,993,476	\$2,993,476	\$ -	\$ -
Operating Line of Credit	148,139	148,139	-	-
Lease Liabilities	1,718,797	533,551	1,185,246	-
Preferred Shares Obligation	2,060,880	-	2,060,880	-
Long Term Liabilities	7,259,140	774,435	6,484,705	-
Total	\$14,180,432	\$4,449,601	\$9,730,831	\$ -

December 31, 2023	Payments Due by Period			
	Total	< 1 year	1-5 years	5+ years
Accounts Payable and Accrued Liabilities	\$ 2,717,074	\$ 2,717,074	\$ -	\$ -
Operating Line of Credit	148,683	148,683	-	-
Lease Liabilities	1,982,879	542,065	1,440,815	-
Preferred Shares Obligation	1,840,500	-	1,840,500	-
Long Term Liabilities	7,597,742	774,435	6,823,307	-
Total	\$ 14,286,878	\$ 4,182,257	\$ 10,104,622	\$ -

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. With the increase in

bank debt and the beginning of the reduction in interest rates in 2023, the company's risk to interest rates has moderated since 2023.

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.

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

Except for 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.

Except for investments, all the Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. The carrying amounts of these financial instruments are a reasonable estimate of their fair value due to their current nature. Investments are carried at fair value through profit or loss and belong to Level 3 of the fair value hierarchy. There were no transfers between levels during the period.

22. Legal Matters

The Company has litigation that arises from time to time, that is not disclosed unless the potential value of a claim is material in amount.

23. Subsequent Events

In June 2024, the Company determined that it was most likely that it would exercise its lease extension at one of its Alberta locations whose original lease expires in January 2025. As such the Company will recognize a lease liability and right of use asset in the second quarter of 2024 for \$429,357, which represents the net present value of the lease payments for the extension at a discount rate of 7.50% the current incremental rate of borrowing for the Company.