



**MANTRA PHARMA INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED**  
**MARCH 31, 2024 AND 2023**  
(Expressed in Canadian dollars)  
(UNAUDITED – PREPARED BY MANAGEMENT)

## **MANTRA PHARMA INC.**

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by CPA Canada for a review of condensed interim consolidated financial statements by an entity's auditors.

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**MANTRA PHARMA INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT MARCH 31, 2024 AND SEPTEMBER 30, 2023**(Expressed in Canadian Dollars)

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		<b>March 31, 2024</b> (Unaudited)	<b>September 30, 2023</b> (Audited)
<b>ASSETS</b>			
Current			
Cash	\$	2,881	\$ 809
Amounts receivable		1,542	4,248
Prepaid expenses		3,131	3,131
		7,554	8,188
Pharmaceutical-Cannabis project (Note 6)		-	1
	\$	7,554	\$ 8,189
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities (Note 9)	\$	101,626	\$ 71,537
Notes payable (Note 7)		5,302	5,182
		106,928	76,719
<b>DEFICIENCY</b>			
Share Capital (Note 8)		199,070	199,070
Accumulated deficit		(298,444)	(267,600)
		(99,374)	(68,530)
	\$	7,554	\$ 8,189

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)

Approved by the Board on May 13, 2024:

"Rajinder Chowdhry"  
Director

"Henry Park"  
Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

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**MANTRA PHARMA INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

(Unaudited - Expressed in Canadian Dollars)

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	<b>Three months ended March 31,</b>		<b>Six months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>				
Interest expense (Note 7)	\$ 59	\$ 59	\$ 119	\$ 119
Foreign exchange (gain) loss	(13)	-	22	-
Management fees (Note 9)	10,500	10,500	21,000	21,000
Office, administration, and miscellaneous	2,334	2,205	2,357	2,262
Professional fees	1,439	19,775	6,939	25,044
Transfer agent fees	250	723	406	1,537
<b>LOSS FROM OPERATIONS</b>	<b>(14,569)</b>	<b>(33,262)</b>	<b>(30,843)</b>	<b>(49,962)</b>
Write off of pharmaceutical-cannabis project	(1)	-	(1)	-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (14,570)</b>	<b>\$ (33,262)</b>	<b>\$ (30,844)</b>	<b>\$ (49,962)</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>46,924,651</b>	<b>46,424,651</b>	<b>46,924,651</b>	<b>46,424,651</b>

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

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**MANTRA PHARMA INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY****FOR THE SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

(Expressed in Canadian Dollars)

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	Common Shares (Note 8)			
	Number of Common Shares	Amount	Accumulated Deficit	Total
Balance at October 1, 2022	46,424,651	\$ 174,070	\$ (180,556)	\$ (6,486)
Net loss and comprehensive loss	-	-	(49,962)	(49,962)
Balance at March 31, 2023	46,424,651	\$ 174,070	\$ (230,518)	\$ (56,448)
Balance at October 1, 2023	46,924,651	\$ 199,070	\$ (267,600)	\$ (68,530)
Net loss and comprehensive loss	-	-	(30,844)	(30,844)
Balance at March 31, 2024	46,924,651	\$ 199,070	\$ (298,444)	\$ (99,374)

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

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**MANTRA PHARMA INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

(Unaudited - Expressed in Canadian Dollars)

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	2024	2023
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (30,844)	\$ (49,962)
Items not involving cash		
Interest expense	120	119
Write off of pharmaceutical-cannabis project	1	-
Change in non-cash working capital items		
Amounts receivable	2,706	(2,384)
Accounts payable and accrued liabilities	30,089	34,712
Cash provided by (used in) operating activities	2,072	(17,515)
CHANGE IN CASH DURING THE PERIOD	2,072	(17,515)
CASH, BEGINNING OF PERIOD	809	28,149
CASH, END OF PERIOD	\$ 2,881	\$ 10,634
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

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**MANTRA PHARMA INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

(Unaudited - Expressed in Canadian Dollars)

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**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Mantra Pharma Inc. (the "Company" or "Mantra Pharma") was incorporated on July 6, 2020 under the laws of British Columbia as part of a plan of arrangement (the "Arrangement") to reorganize AsiaBaseMetals Inc. ("AsiaBase"). The Company intends to focus on the development of a pharmaceutical business, including opportunities growing and selling cannabis for medical purposes in Croatia, European Union (EU). The Company intends to raise additional equity, as needed, in order to pursue future business opportunities. The address of the Company's corporate office and principal place of business is 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Canada.

The Company has incurred operating losses to date and is currently unable to self-finance its future operations. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company's ability to raise new capital. The Company's ability to continue as a going concern is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. Such adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES****a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the Company's audited annual financial statements for the year ended September 30, 2023.

**b) Basis of presentation**

These condensed interim consolidated financial statements include the assets and operations of the Company, which are incorporated under the British Columbia Business Corporations Act.

The condensed interim consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**c) Principles of Consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary. All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation.

As of March 31, 2024, the Company had a wholly-owned subsidiary:

- Mantra Pharma Europe doo (Croatia)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****d) Functional and Presentation Currency**

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company. The functional currency of Mantra Pharma Inc. and Mantra Pharma Europe doo is the Canadian dollar.

**e) Going Concern**

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of \$298,444 at March 31, 2024. Management has determined that the Company will be able to continue as a going concern for a reasonable period of time, and realise its assets and discharge its liabilities and commitments in the normal course of business.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes recoverability. Critical judgments that have the most effect on the amounts recognized in the financial statements include the Company's ability to continue as a going concern.

**(i) Impairment**

At the end of each reporting period 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 costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the 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 profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.



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**MANTRA PHARMA INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)****(i) Going Concern**

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(e).

**4. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE**

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's condensed interim consolidated financial statements.

**5. ACQUISITION**

On January 1, 2022, the Company acquired 100% of the outstanding shares of Mantra Pharma Europe doo (a company incorporated on December 31, 2020 in Croatia). Hence, Mantra Pharma Europe doo, effective January 1, 2022, became a 100% owned subsidiary of the Company. The consideration for the acquisition; of \$4,766 (\$4,094 for the issued and outstanding shares of Mantra Pharma Europe doo and \$672 for legal fees) was paid by the Company's demand promissory note bearing interest at 5% per annum.

Net assets	\$ (1,160)
Less: Purchase price (Note 7)	4,766
Acquisition cost	\$ 5,926

**6. PHARMACEUTICAL-CANNABIS PROJECT**

On June 5, 2019, AsiaBase entered into a cooperation agreement with a city within Croatia (the "City"), pursuant to which the Company and the City will cooperate to explore opportunities to obtain a license to undertake activities for growing and selling cannabis for medical purposes. The cooperation agreement was recorded at a nominal value.

The fair value of the net assets of Mantra Pharma contributed to the Plan of Arrangement effective September 1, 2020 included this cannabis cooperation agreement. The Company does not intend to pursue this opportunity as previously planned.

**7. NOTES PAYABLE**

On January 1, 2022, the Company entered into a promissory note agreement for total proceeds of \$4,766 bearing interest at 5% per annum, see Note 5. The promissory note is payable on demand and \$536 (September 30, 2023 - \$416) of interest expense has been accrued for the period ended March 31, 2024.

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**MANTRA PHARMA INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**8. SHARE CAPITAL**

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as at March 31, 2024: 46,924,651 (September 30, 2023 – 46,924,651) common shares.

There were no share transactions for the six months period ended March 31, 2024.

During the year ended September 30, 2023, the Company issued 500,000 common shares of the Company for the share purchase warrants exercised for gross proceeds of \$25,000.

On June 9, 2022, the Company completed a non-brokered private placement and issued 2,875,000 units, raising gross proceeds of \$143,750. Each Unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase an additional Share at a price of \$0.05 per Share for a period of five years. The shares issued were subject to a four month hold period from the date of the issuance.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2022	3,200,000	\$ 0.06
Exercised	(500,000)	\$ 0.05
Expired	(325,000)	\$ 0.10
Balance at September 30, 2023	2,375,000	\$ 0.05
Exercised	-	\$ -
Expired	-	\$ -
Balance at March 31, 2024	2,375,000	\$ 0.05

The warrants outstanding as at March 31, 2024, are as follows:

Outstanding	Exercise price	Expiry date
2,375,000	\$ 0.05	June 9, 2027

The average remaining life of the warrants is 3.19 years.

**9. RELATED PARTY TRANSACTIONS**

During the six months ended March 31, 2024, the Company incurred \$21,000 (2023 - \$21,000) for management and bonus to a company controlled by the Chief Executive Officer ("CEO").

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**MANTRA PHARMA INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**9. RELATED PARTY TRANSACTIONS (CONTINUED)**

As at March 31, 2024, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable and accrued liabilities is \$655 (September 30, 2023 – \$5,113) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable and accrued liabilities is \$66,150 (September 30, 2023 – \$44,100) due to a company controlled by the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On September 20, 2021, the Company entered into an agreement with a company controlled by a director to provide CEO services at a rate of \$3,500 per month (\$42,000 per year) for an indefinite term.

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

**Key management personnel compensation:**

	<b>Six months ended March 31,</b>			
		<b>2024</b>		<b>2023</b>
Management fees	\$	21,000	\$	21,000
<b>Total remuneration</b>	\$	21,000	\$	21,000

**10. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of cannabis interests. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

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**MANTRA PHARMA INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

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**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK***Financial Instruments and Fair Value Measurements*

IFRS 13 – Fair Value Measurement, establishes 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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2024 as follows:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
<b>Financial assets</b>					
Cash	\$ 2,881	\$ –	\$ –	\$	2,881

**Fair value**

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2024 because of the demand nature or short-term maturity of these instruments.

**Financial risk management objectives and policies**

The Company's financial instruments include cash, accounts payable and notes payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023**

(Unaudited - Expressed in Canadian Dollars)

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**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**

*Financial Risk*

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at March 31, 2024, the Company had a working capital deficit of \$99,374. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness that bear interest at fixed or variable rates.