



The BC Bud Corporation

**Condensed Consolidated Interim Financial Statements
(Unaudited)**

**For the three and nine months ended November 30, 2024, and 2023
(Expressed in Canadian Dollars)**

The BC Bud Corporation

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	November 30, 2024	February 29, 2024
Assets			
Current assets			
Cash		\$ 468,766	\$ 4,202
Accounts receivable		43,147	-
Prepaid expenses		8,132	12,015
Other receivable		68,928	94,581
Inventory	4	298,715	487,253
		887,688	598,051
Machinery and equipment		21,719	32,008
Intangible assets		2,007	2,007
		\$ 911,414	\$ 632,066
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 156,412	\$ 396,650
Loan payable	5	343,057	229,355
		499,469	626,005
Shareholders' equity			
Share capital	6	5,928,350	4,965,825
Reserves	6	594,325	594,325
Accumulated Deficit		(6,110,730)	(5,554,089)
		411,945	6,061
		\$ 911,414	\$ 632,066

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

On behalf of the Board:

"Brayden Sutton"

Director

"Joshua Taylor"

Director

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

The BC Bud Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended November 30		Nine Months Ended November 30	
		(Restated – Note 12)		(Restated – Note 12)	
		2024	2023	2024	2023
Revenue		23,494	34,364	66,299	53,175
Cost of sales	12	(55,447)	(68,352)	(255,604)	(105,766)
Amortization and Depreciation	5	(3,430)	(3,430)	(10,289)	(10,289)
Gross margin		(35,383)	(37,418)	(199,594)	(62,880)
Operating expenses					
Accretion expense	7,9	4,589	4,347	13,702	9,475
Advertising and promotion		-	(6,906)	1,390	105,399
Bad debts (recovery)	10	-	-	(38,824)	-
Consulting fees	9	71,500	85,347	186,726	208,767
Share-based compensation	9	-	3,910	-	43,302
Office and administration		2,689	(9,901)	27,577	11,770
Professional fees and other		35,654	91,070	166,241	255,349
Interest		-	-	-	440
		114,432	167,867	356,812	634,502
Net operating loss		(149,815)	(205,285)	(556,406)	(697,382)
Other expenses (income)					
Foreign exchange loss		224	-	235	577
Net loss for the period		\$(150,039)	\$(205,285)	\$(556,641)	\$(697,959)
Basic and diluted loss per common share		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding		102,403,204	56,117,232	75,029,891	54,404,117

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

The BC Bud Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital			Accumulated Deficit \$	Total \$
	Number Outstanding	Amount \$	Reserves \$		
Balance, February 28, 2023	53,470,565	4,790,252	482,407	(4,330,032)	942,627
Share issued for private placement	2,646,667	125,141	73,359	-	198,500
Share issued for compensation	-	-	43,302	-	43,302
Restricted share units vested	393,750	82,688	(82,688)	-	-
Net loss for the period	-	-	-	(697,959)	(697,959)
Balance, November 30, 2023	56,510,982	4,998,081	516,380	(5,027,991)	486,470
Balance, February 29, 2024	56,510,982	4,965,825	594,325	(5,554,089)	6,061
Share issued for private placement	45,000,000	775,000	-	-	775,000
Share issuance costs	-	(975)	-	-	(975)
Share issued for services	1,400,000	38,500	-	-	38,500
Shares issued on warrant exercises	3,000,000	150,000	-	-	150,000
Net loss for the period	-	-	-	(556,641)	(556,641)
Balance, November 30, 2024	105,910,982	5,928,350	594,325	(6,110,730)	411,945

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

The BC Bud Corporation

Condensed Consolidated Interim Statements of Cash Flow

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024 and 2023

	Nine Months Ended November 30	
	(Restated – Note 12)	
	2024	2023
Operating activities		
Net loss for the period	(556,641)	(697,959)
Items not involving cash:		
Accretion expense	13,702	9,915
Amortization and depreciation	10,289	10,289
Shares issued for services	38,500	-
Inventory write-down	116,388	-
Share-based compensation	-	43,302
Change in working capital:		
Accounts receivable	(43,147)	(248,592)
Other receivable	25,653	(4,207)
Prepaid expenses	3,883	(27,317)
Inventory	72,150	83,627
Accounts payable and accrued liabilities	(240,238)	262,986
Cash used in operating activities	(559,461)	(567,956)
Financing activities		
Net proceeds from issuance of common shares	774,025	198,500
Proceeds from exercise of warrants	150,000	-
Proceeds from loans payable	100,000	110,000
Cash provided by financing activities	1,024,025	308,500
Change in cash	464,564	(259,456)
Cash – beginning of period	4,202	311,314
Cash – end of period	468,766	51,858

Supplemental cash flow disclosure (Note 11)

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

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

1. Nature of operations and going concern

The BC Bud Corporation (the “Company”) was incorporated under the laws of Alberta and was continued into British Columbia during the year ended December 31, 2000. On March 31, 2020, the Company changed its name from Waterfront Capital Corporation to Entheos Capital Corp. On September 29, 2021, the Entheos Capital Corp. completed a reverse takeover transaction with The BC Bud Corporation and changed its name to The BC Bud Corporation. The BC Bud Corporation is listed on the Canadian Securities Exchange (“CSE”) under the symbol “BCBC”. The Company’s registered office is located at 830 – 999 W Broadway, Vancouver, British Columbia, V5Z 1K5.

The Company is developing recreational cannabis products and brands in the cannabis industry through licensing, white label contract manufacturing agreements with licensed producers within their facilities under the Cannabis Act selling to provincial distributors and marketing to retailers. The Company is not a licensed producer. The Company’s active offerings in branded products will include The BC Bud Co flower, infused and vape products, edibles under the brand ‘Canna Beans’ and “Canna Almonds”, concentrates sold as ‘Solventless Solutions’, and select lifestyle apparel.

The Company is a house of brands that aligns with and relies on licensed cannabis processors and producers to contract manufacture a variety of cannabis products in different product categories. The processors and producers are licensed under the Cannabis Act, Bill C-45, (together with the regulations made thereunder from time to time, the “Cannabis Act”). Through their partnership agreements with licensed manufacturers and distributors, the Company will bring to market specialized flowers, concentrates and edibles.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company reported a loss of \$556,641 for the nine months ended November 30, 2024 (2023 – \$697,959) and had an accumulated deficit of \$6,110,730 as at November 30, 2024 (February 29, 2024 \$5,554,089) and working capital of \$388,219 at November 30, 2024 (February 29, 2024 – deficit of \$27,954). The Company’s ability to continue as a going concern is dependent upon its ability to achieve profitable operations. The achievement of profitable operations is dependent on the demand of its manufactured products by the retailers and maintain in good standing with provincial distributor requirements. The outcome of these matters cannot be predicted at this time. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

2. Basis of Preparation

Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements for the year ended February 29, 2024.

The Board of Directors approved the condensed consolidated interim financial statements for issue on March 7, 2025.

3. Material Accounting Policy Information

Basis of measurement

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out in Note 3 have been applied consistently by the Company in all periods presented.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiary. The Company controls its subsidiaries when it is exposed to, or it has rights to variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its power over the subsidiaries. Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Name	Jurisdiction of Incorporation	Percentage Owned
The BC Bud Holdings Corp.	British Columbia, Canada	100%

All material intercompany balances and transactions have been eliminated upon consolidation.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

3. Material Accounting Policy Information (continued)

Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS Accounting Standard requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. It is reasonably possible that circumstances may arise that would cause actual results to differ from management estimates; however, management does not believe it is likely that such differences will materially affect the Company's financial position. A significant area requiring the use of management estimates and judgments is the impairment of accounts receivable and the estimate of the revenues to be recognized given the return rights of the products of the provincial bodies.

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the amounts reported in the condensed consolidated interim financial statements include:

Revenue

Revenue from contracts with customers is recognized by following the five-step process defined under IFRS 15. The payment terms over revenue contracts are subject to sell through as the evolution of government reach due to outstanding unpaid excise taxes in the industry and collectability is also reliant on whether the government/CRA garnishes funds due to delinquent manufacturers. This impacts the estimate of revenues to be recognized as returns.

Use of judgments and estimates

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

3. Material Accounting Policy Information (continued)

Revenue

Revenue from contracts with customers is recognized by following the five-step process defined under IFRS 15. The payment terms over revenue contracts are subject to sell through as the evolution of government reach due to outstanding unpaid excise taxes in the industry and collectability is also reliant on whether the government/CRA garnishes funds due to delinquent manufacturer. This impacts the estimate of revenues to be recognized as returns.

Financial instruments

Financial assets

The Company classifies its financial assets as fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (“FVPL”) are initially recognized at fair value with changes in fair value recorded in profit or loss. At November 30, 2024, and February 29, 2024 the Company had no FVPL assets.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company’s objective for these financial assets is to collect their contractual cash flows and 2) the asset’s contractual cash flows solely represent payments of principal and interest. Cash, and cash equivalent, accounts receivable and other receivables are classified as amortized cost.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and loans payable.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

3. Material Accounting Policy Information (continued)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Impairment of financial assets

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 *Financial Instruments* requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Cash

Cash consists of cash on hand, balances with banks and short-term investments with an original maturity date of three months or less.

Accounts receivable

Accounts receivable are amounts due from distributors for the sale of goods and services performed in the ordinary course of business. These amounts are classified as current because the collection is expected in one year or less. Accounts receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment.

Inventory

Inventory consists of finished goods, packaging, bulk concentrates, pre-rolls and whole flower. Inventory is recorded at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method and includes the cost of provisions to the customer. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

All inventories are reviewed each reporting period for impairment due to slow-moving and obsolete inventory. Provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss and referred to as return to vendor (RTV).

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

3. Material Accounting Policy Information (continued)

Revenue

Revenue from contracts with customers is recognized by following the five-step process defined under IFRS 15:

1. Identify the contract with a customer: A contract is an agreement between the Company and a Licensed Producer (LP) that creates enforceable rights and obligations. Key characteristics of a contract include:
 - Approval: Both the company and the LP have approved the contract and are committed to fulfilling their respective obligations.
 - Payment Terms: Payment terms are established and can include fixed or variable consideration.
 - Commercial Substance: The contract has a commercial substance, meaning it affects the Company's cash flow.
 - Collectability: It is probable that the company will collect the consideration to which it is entitled under the contract.

Payment terms are subject to sell through as the evolution of government reach due to outstanding unpaid excise taxes in the industry and collectability is also reliant on whether the government/CRA garnishes funds due to delinquent manufacturer. This impacts the estimate of revenues to be recognized as returns.

2. Identify the Performance Obligations in the Contract: Performance obligations are distinct promises to transfer goods or services to the customer. In the context of cannabis contracts with the LPs common performance obligations may include:
 - Production of cannabis: The Company's obligation to produce cannabis according to specified quality standards, and
 - Sale of cannabis products and final product creation: The Company's obligation to transfer control of the cannabis products to the LP.
3. Determine the Transaction Price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services. For cannabis contracts, transaction price determination involves the following consideration:

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

3. Material Accounting Policy Information (continued)

Fixed and variable consideration: The base selling price of the cannabis product to the LP include fixed amounts, however, there is a significant return rights due to quality or regulatory compliance issues, the Company estimates the expected returns using the expected value method.

4. Allocate the Transaction Price to Performance Obligations: Once the transaction price is determined, it is allocated to each performance obligation based on the standalone selling prices of the goods or services. The Company has determined that it has one performance obligation with a significant return right that is estimated reducing the transaction value and recognizing revenues that is highly probable of not being reversed. At the nine months ended November 30, 2024, and the year ended February 29, 2024, there were no refund liabilities, revenues were recorded net of returns.
5. Recognize Revenue When the Performance Obligations Are Satisfied: This occurs at a point in time when the goods are transferred to the Provincial purchaser and distributor

Share capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price and a stated number of common shares in the Company. The fair value of units issued is measured using the fair value approach, with the allocation of proceeds first to the common shares based on the fair value of the common shares on the date of issuance on the remainder to warrants.

Segmented Information

The Company's operations comprise a single reporting segment, being partnership agreements with cannabis producers. As the operations comprise a single reporting segment, amounts disclosed in the condensed consolidated interim financial statements for expenses and loss for the period also represent segmented amounts. All of the Company's operations and assets are in Canada.

Loss per share

The Company calculates basic (loss) earnings per share by dividing net (loss) income by the weighted average number of common shares outstanding during the period. Diluted (loss) earnings per share is determined by adjusting profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which comprise, RSUs, warrants and share options issued.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

4. Inventory

Inventory is comprised of the following:

	November 30, 2024	February 29, 2024
Raw materials – packaging	\$ 15,100	\$ 85,714
Products	283,615	401,539
	298,715	487,253

During the nine months ended November 30, 2024, the Company expensed inventory of \$110,974 (2023 - \$105,766) as cost of sales. The Company also wrote off inventory for \$116,388 (2023 - \$nil), this was a result in count and cost adjustments when assessing the net realizable value of inventory.

5. Loan Payable

On January 20, 2021, the Company received a loan of \$100,000 from Sutton Ventures Ltd., a significant shareholder of the Company. The loan is secured by all present and future acquired property of the Company and is payable on the earlier of:

- a) January 15, 2023; or
- b) The occurrence of an event of default.

No interest will accrue on the outstanding balance, unless an event of default occurs, in which case interest will be deemed to have accrued on the outstanding balance from the date of advancement at a rate of 8.0% per annum, compounded annually, and will be payable at maturity. The loan is recorded at fair value on initial recognition, which was determined to be \$84,642 using a discount rate of 8.5%, resulting in a total discount of \$15,358. As the loan was provided by a shareholder of the Company, the discount was recorded as an equity contribution.

Additionally, on June 19, 2023, the Company entered into an amending agreement with Sutton Ventures Ltd. to increase the amount of the secured loan from \$100,000 to \$150,000. During the nine months ended November 30, 2024, accretion and interest expense of \$9,982 (2023 - \$8,248) was recorded in the condensed consolidated statements of loss and comprehensive loss. As of November 30, 2024, the Company is in default of the loan, which is now payable on demand.

On August 4, 2023, the Company received a loan of \$60,000 from Cybin Therapeutics Inc. Cybin Therapeutics Inc is a private entity in which both Brayden Sutton, CEO and director, and Josh Taylor, president and director, are controlling shareholders. The loan bears interest at a rate of 8 percent per annum, payable upon maturity. The loan is secured by all present and future acquired property of the Company and is payable on the earlier of:

- a) July 30, 2024; or
- b) The occurrence of an event of default.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

5. Loan Payable (continued)

During the nine months ended November 30, 2024, accretion expense of \$3,720 (2023 - \$1,667) was recorded in the condensed consolidated interim statements of loss and comprehensive loss. As of November 30, 2024, the Company is in default of the loan, which is now payable on demand.

On December 8, 2023, the Company received a loan amounting to \$4,750 from TJT Ventures Ltd., a private entity controlled by Josh Taylor, president and director, for working capital purposes. This loan is due on demand and bears no interest.

On August 30, 2024, the Company agreed to loan \$100,000 from Sutton Ventures Ltd., a private entity controlled by Brayden Sutton, CEO and director, for working capital purposes. This loan is due on demand and bears no interest. The loan was repaid subsequent to November 30, 2024.

6. Share Capital

Authorized share capital

The authorized capital of the Company consists of unlimited common shares without par value.

Share issuances

During the nine months ended November 30, 2024, the Company had the following share capital transactions:

- On November 20, 2024, the Company issued 25,000,000 units for proceeds of \$375,000 at a price of \$0.015 per unit. Each unit comprised of one common share and one share purchase warrant which entitles the holder to acquire an additional common share at a price of \$0.10 per share until November 20, 2026. A value of \$nil was assigned to these warrants, calculated using the residual value method.
- On November 7, 2024, the Company issued 900,000 common shares as compensation to certain directors and consultants. The fair value of the common shares on the issuance date was \$13,500, or \$0.015 per common share.
- On April 12, 2024, the Company issued 20,000,000 units for proceeds of \$400,000 through the sale at a price of \$0.02 per unit. Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.05 per share until April 12, 2026. A value of \$nil was assigned to these warrants, calculated using the residual value method.
- On March 1, 2024, the Company issued 500,000 common shares issued as compensation to Stock Ventures Inc. for advisory services. The shares were issued at a deemed price of \$0.05 per share for a total consideration of \$25,000.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

6. Share Capital (continued)

During the year ended February 29, 2024, the Company had the following share capital transactions:

- On August 25, 2023, the Company issued 2,646,667 units at a price of \$0.075 per unit for total proceeds of \$198,500. Each unit comprised one common share and one share purchase warrant which entitles the holder to purchase a further common share at a price of \$0.15 per share for a three-year period.

Stock options

The Company has a stock option plan, last approved on July 29, 2021, which reserves an aggregate number of securities for issuance up to 10% of the number of the outstanding common shares. Under the stock option plan, stock options can be granted for a maximum term of ten years. Further, the exercise price shall not be less than the price of the Company's common shares on the date preceding the date of grant.

Stock option transactions are summarized as follows:

Stock Options	Number of Options	Weighted Average Exercise Price
Balance outstanding and exercisable – February 29, 2024	1,990,000	\$ 0.18
Forfeited	(1,040,000)	(0.19)
Balance outstanding and exercisable – November 30, 2024	950,000	\$ 0.13

Stock options outstanding as at November 30, 2024:

Expiry Date	Number of Options	Weighted Average Exercise Price
December 14, 2026	250,000	\$ 0.20
February 3, 2028	700,000	0.10
Balance outstanding and exercisable – November 30, 2024	950,000	\$ 0.13

The Company recognized share-based payments expense of \$Nil for options granted and vested during the nine months ended November 30, 2024 (2023 - \$14,580).

Share-based payments expense is estimated using the following assumptions. The expected volatility assumption is based on comparable volatility of the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

6. Share Capital (continued)

Nine months ended November 30,	2024	2023
Risk-free interest rate	-	3.19%
Expected life of options	-	5 years
Expected annualized volatility	-	78.24%
Dividend rate	-	-
Forfeiture rate	-	-

Restricted share units (“RSUs”)

During the nine months ended November 30, 2024, the Company issued no common shares upon vesting (2023 – \$Nil). The vesting conditions were time-based vesting conditions with various maturities (minimum of one year). As the performance conditions of the RSU granted were not market-related, the fair value per RSU used to calculate compensation expense for the RSU granted is determined to be \$0.25, equal to the market price on the date of grant.

During the nine months ended November 30, 2024, no RSUs vested (2023 – 393,750) and \$Nil (2023 - \$82,688) was transferred from Contributed Surplus.

Restricted Share Units	Number of RSUs
Unvested balance – February 28, 2023	393,750
Vested and issued as common shares	(393,750)
Balance outstanding and exercisable – February 29, 2024 and November 30, 2024	-

The Company recognized share-based payment expense of \$Nil for RSUs during nine months ended November 30, 2024 (2023 - \$24,812).

Escrow shares

As at November 30, 2024, there were no common shares held in escrow (February 29, 2024 – 8,807,500). On September 30, 2021, 10% of the securities were released on closing of the transaction and the remaining balance was released in six equal tranches of 15% every six months thereafter. As of September 30, 2024, all shares have been released from escrow.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

6. Share Capital (continued)

Warrants

Warrant transactions are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price
Balance at February 29, 2024	9,446,667	0.15
Granted (Note 6)	45,000,000	0.08
Exercised	(3,000,000)	0.05
Balance outstanding and exercisable at November 30, 2024	51,446,667	0.09

Warrants outstanding as at November 30, 2024:

Expiry Date	Number of Warrants	Weighted Average Exercise Price
February 2, 2025 ⁽¹⁾	6,800,000	0.15
April 12, 2026	17,000,000	0.05
August 4, 2026	700,000	0.15
August 25, 2026	1,946,667	0.15
November 20, 2026	25,000,000	0.10

⁽¹⁾ Subsequent to November 30, 2025, the Company modified these warrants extending the terms for an additional twelve months.

7. Related Party Transactions

Related parties include the directors, corporate officers, key management personnel, significant shareholders and enterprises that are controlled by these. This includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole and its subsidiaries.

As at November 30, 2024 the Company had \$28,171 (February 29, 2024 - \$251,073) due to related parties included in accounts payable and accrued liabilities. These amounts are non-interest bearing and due on demand.

During the nine months ended November 30, 2024, the Company paid \$42,500 to Zeus Capital Ltd., the employer of the former CFO and Corporate Secretary. (2023 - \$67,500).

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

7. Related Party Transactions (continued)

During the three and nine months ended November 30, 2024, and 2023, the Company expensed the following amounts towards related parties:

Consulting fees	Three months ended November 30,		Nine months ended November 30,	
	2024	2023	2024	2023
TJT Ventures Ltd. (Management)	15,000	22,500	45,000	67,500
Brayden Sutton (CEO and Director)	20,000	22,500	50,000	67,500
Lachlan McLeod (CFO and Corporate Secretary)	6,760	-	6,760	-
Brian Taylor (Former Director)	3,600	-	3,600	-
Justin Chorbajian (Former Director)	3,600	-	3,600	-
Sean Flynn (Former Chief Commercial Officer)	-	-	30,000	-
	48,960	45,000	138,960	135,000

RSUs vested (Note 6)	Three months ended November 30,		Nine months ended November 30,	
	2024	2023	2024	2023
Dayna Lange (former Director)	-	2,756	-	27,563
Brian Taylor (Director)	-	2,756	-	27,563
Justin Chorbajian (Director)	-	2,756	-	27,563
	-	8,268	-	82,689

Share-based compensation	Three months ended November 30,		Nine months ended November 30,	
	2024	2023	2024	2023
Dayna Lange (former Director)	-	-	-	9,574
Brian Taylor (Director)	-	-	-	9,574
Justin Chorbajian (Director)	-	-	-	9,574
	-	-	-	28,722

Rent expense	Three months ended November 30,		Nine months ended November 30,	
	2024	2023	2024	2023
Cybin Therapeutics Inc.	-	-	8,400	-

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

8. Capital Management

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

The Company manages its capital structure and adjusts it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the nine months ended November 30, 2024.

9. Financial Instruments

Financial instruments

The Company classifies its cash, accounts payable and loan payable as amortized cost instruments. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. Loan payable is carried at amortized cost, measured at level 3 inputs of the fair value hierarchy.

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. Although the Company believes its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its accounts receivable, advances and liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with reputable financial institutions. The Company considers credit risk with respect of these amounts to be low. The carrying amount of financial assets represents the maximum credit exposure.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

9. Financial Instruments (continued)

Accounts Receivable

Accounts receivable consists of trade receivables of \$43,147 at November 30, 2024 (February 29, 2024 - \$Nil). To reduce the credit risk of accounts receivable, the Company regularly reviews the collectability of accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As well, any accounts receivable outstanding for more than 90 days is generally considered bad debt, unless there are strong indications that the debt can be collected based on management expectations and historical collections. Subsequent bad debt collected will be included as a bad debt recovery. As a result, as at November 30, 2024, the Company impaired its accounts receivable balance when arriving at the expected credit losses of \$Nil (2023 - \$Nil) in accordance with IFRS 9, *Financial Instruments*.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at November 30, 2024, the Company had working capital of \$388,219 (February 29, 2024 – deficit of \$27,954). All of the Company's current liabilities are due within 90 days of November 30, 2024, or on demand.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate foreign currency risk or other price risk.

10. Debt Settlement

During the nine months ended November 30, 2024, a customer settled \$38,824 in accounts receivable by with product, the product was recorded at the lower of costs and net realizable value. As this receivable amount was previously written off, this settlement was recorded as a recovery of bad debt of \$38,824.

During the nine months ended November 30, 2024, \$31,973 in accounts payable, previously written off as of February 29, 2024, was assigned to a third party and considered payable, resulting in an increase of \$31,973 in accounts payable and cost of sales as a result.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

11. Supplemental Cash Flow Disclosure

Cash at November 30, 2024 consists of \$468,766 (February 29, 2024 - \$4,202) in cash held at financial institutions.

	Nine months ended	
	November 30, 2024	November 30, 2023
Common shares issued for services	\$ 38,500	\$ -

12. Restatement

During the preparation of the condensed consolidated interim financial statements for the nine months ended November 30, 2024, the Company identified certain errors in connection with the review of the revenue recognition, inventory, accounts receivables and prepaid expenses.

The table below summarizes the restated condensed consolidated interim financial statements for three and nine months ended November 30, 2024, and 2023:

November 30, 2024 - Nine months ended

Condensed Consolidated Interim Statements of Income and Comprehensive Income	As previously reported	Adjustments	As Restated
Revenues	\$ (80,037)	13,738	\$ (66,299)
Cost of Sales	\$ 132,288	123,316	\$ 255,604
Net Loss and Comprehensive Loss	\$ 507,923	48,718	\$ 556,641

November 30, 2024 – Three months ended

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	As previously reported	Adjustments	As Restated
Revenues	\$ 37,232	(13,738)	\$ 23,494
Cost of Sales	\$ 48,159	7,288	\$ 55,447
Net Loss and Comprehensive Loss	\$ 129,373	20,666	\$ 150,039

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

12. Restatement (continued)

November 30, 2024 - Nine months ended

Condensed Consolidated Interim Statements of Financial Position	As previously reported	Adjustments	As Restated
Accounts receivable	\$ 56,885	(13,738)	\$ 43,147
Prepaid expenses	\$ 20,632	(12,500)	\$ 8,132
Inventory	\$ 321,195	(22,480)	\$ 298,715

November 30, 2023 – Nine months ended

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	As previously reported	Adjustments	As Restated
Revenues	\$ 534,731	(481,556)	\$ 53,175
Cost of Sales	\$ 587,322	(481,556)	\$ 105,766

November 30, 2023 – Three months ended

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	As previously reported	Adjustments	As Restated
Revenues	\$ (74,939)	40,575	\$ (34,364)
Cost of Sales	\$ 259,241	(190,889)	\$ 68,352
Net Loss and comprehensive Loss	\$ 355,599	(150,314)	\$ 205,285

13. Subsequent Events

The following transactions occurred subsequent to November 30, 2024:

- Subsequent to November 30, 2024, the Company issued 21,986,813 units for proceeds of \$1,649,011 at a price of \$0.075 per unit. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to acquire an additional common share at a price of \$0.15 per share for a period of 24 months. The Company incurred finders' fees of \$21,912 and issued 292,160 finders warrants. Each finders warrant is exercisable into one unit of the Company at a price of \$0.075 per finder unit for a period of 24 months, with each finders unit comprised of one common share and one warrant.
- On January 22, 2025, the Company granted 8,000,000 stock options to certain directors, officers and consultants of the Company, pursuant to the Company's omnibus share incentive plan. Each option is exercisable by the holder for one common share at an exercise price of \$0.12 for a period of two years.

The BC Bud Corporation

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited – expressed in Canadian Dollars)

For the nine months ending November 30, 2024, and 2023

13. Subsequent Events (continued)

- On January 31, 2025, the Company granted 750,000 stock options to certain consultants of the Company. Each option is exercisable by the holder to purchase one common share of the Company at an exercise price of \$0.12 for a period of two years.
- The Company issued 4,725,000 common shares pursuant to the exercise of warrants. The exercise of warrants totaled was for gross proceeds of \$236,250.
- On February 21, 2025, the Company announced that it intends to complete a change of business from a cannabis issuer to an investment issuer (the "Proposed Change of Business"). Following a thorough evaluation of the Company's existing operations and a review of its strategic options, the Company believes that the experience and industry contacts of the board and management will enable it to identify and capitalize upon investment opportunities and ultimately bring greater value to the Company's shareholders as an investment issuer.

Upon completion of the Proposed Change of Business, the Company's primary focus will be to seek returns through investments in accordance with its investment policy. Specifically, the Company will operate as a diversified investment company focused on investing in digital and physical non-fiat assets, businesses and private and publicly listed entities that are involved in high-growth industries, with a particular focus on hard commodities, cryptocurrencies and the resource sector.

As part of the Change of Business, the Company will change its name to "Digital Commodities Capital Corp."

- Subsequent to November 30, 2024, the Company acquired 100,000 XRP through a Coinsquare account.