BETTERMOO(D) FOOD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2025

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	January 31, 2025 $	July 31, 2024 $
ASSETS			
Cash		55,450	153,560
Amounts receivable		88,736	76,676
Inventory	6	142,549	43,686
Prepaid expenses	7	127,231	95,589
		413,966	369,511
TOTAL ASSETS		413,966	369,511
LIABILITIES AND EQUITY (DEFICIENCY)			
Liabilities			
CURRENT			
Accounts payable and accrued liabilities	8, 9	797,538	821,551
Provision – legal claim	14	50,000	50,000
		847,538	871,551
NON-CURRENT			
Deferred tax liability		23,000	23,000
		870,538	894,551
Shareholders' Deficiency			
Share capital	10	35,887,396	34,026,671
Reserves	10	11,983,699	11,856,866
Share subscription received	10	119,565	694,997
Accumulated other comprehensive income		25,414	25,414
Deficit		(48,472,646)	(47,128,988)
Deficiency attributable to shareholders of the company		(456,572)	(525,040)
TOTAL SHAREHOLDERS DEFICIENCY AND LIABILITIES		413,966	369,511

Nature of operations and going concern (Note 1)
Contingencies (Note 14)
Subsequent events (Note 10)

Authorized for issuance on behalf of the Board on April 1, 2025:

"Joel Shacker"
Joel Shacker, Director

"Geoff Balderson"
Geoff Balderson, Director

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of
For the Three and Six Months Ended January 31, 2025 and 2024
(Unaudited - expressed in Canadian Dollars)

	Note	Three months ended January 31, 2025	Three months ended January 31, 2024	Six months ended January 31, 2025	Six months ended January 31, 2024
		$	$	$	$
Revenue		16,190	-	78,370	-
Cost of goods sold		(3,181)	-	(56,827)	-
Gross margin		13,009	-	21,543	-
Operating expenses					
Advertising and marketing		41,098	268,909	275,836	483,369
Consulting fees	9	24,549	108,914	89,861	211,160
Office and administrative		29,577	25,143	133,095	92,915
Product development		-	(46,106)	27,378	25,585
Professional fees	9	203,502	42,496	178,704	80,285
Rent		9,000	-	18,000	-
Selling costs		7,266	-	12,283	-
Merchandise chargebacks		15,000	-	22,635	-
Share-based compensation	9, 10	145,086	1,470,000	507,458	1,470,000
Transfer agent and filing fees		6,847	11,148	13,074	21,313
Travel and promotions		382	6,185	9,202	16,737
Wages and benefits	9	31,017	29,805	62,034	60,810
		(513,324)	(1,916,494)	(1,349,560)	(2,462,174)
Loss before other items		(500,315)	(1,916,494)	(1,328,017)	(2,462,174)
Other expenses					
Inventory recovery	6	-	-	5,189	-
Loss on deconsolidation of Bettermoo(d) on GmbH	5	-	-	(20,830)	-
		-	-	(15,641)	-
Net loss for the period		(500,315)	(1,916,494)	(1,343,658)	(2,462,174)
Other comprehensive income (loss)					
Exchange difference on translating foreign operations		(6,135)	615	-	(58)
Total comprehensive loss for the period		**(506,450)**	**(1,915,879)**	**(1,343,658)**	**(2,462,232)**
Loss per share – basic and diluted*		(0.06)	(0.24)	(0.13)	(0.32)
Weighted average number of common shares outstanding – basic and diluted*		8,457,343	7,899,677	10,477,551	7,797,453
Net loss attributed to:					
Shareholders of the Company		(500,315)	(1,916,494)	(1,343,658)	(2,462,174)
Non-controlling interest		-	-	-	-
		(500,315)	(1,916,494)	(1,343,658)	(2,462,174)
Total comprehensive loss attributed to:					
Shareholders of the Company		(506,450)	(1,915,763)	(1,343,658)	(2,462,243)
Non-controlling interest		-	(116)	-	11
		(506,450)	(1,915,879)	(1,343,658)	(2,462,232)

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

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Changes in Equity
For the Three and Six Months ended January 31, 2025 and 2024
(Unaudited - expressed in Canadian Dollars)

	Number of common shares #	Amount $	Reserves $	Subscriptions received $	AOCI $	Accumulated deficit $	Non-controlling interest $	Total $
Balance, July 31, 2023	**7,726,142**	**32,663,791**	**13,378,559**	**-**	**15,198**	**(45,741,385)**	**2,870**	**319,033**
Shares issued in private placement, net of share issuance costs	271,276	500,000	-	-	-	-	-	500,000
Shares issued for service	100,000	160,000	-	-	-	-	-	160,000
Share subscription received	-	-	-	180,480	-	-	-	180,480
Share-based compensation	-	-	1,310,000	-	-	-	-	1,310,000
Net and comprehensive loss	-	-	-	-	(58)	(2,462,174)	-	(2,462,232)
Balance, January 31, 2024	**8,097,418**	**33,323,791**	**14,688,559**	**180,480**	**15,140**	**(48,203,559)**	**2,870**	**7,281**
Balance, July 31, 2024	**8,554,066**	**34,026,671**	**11,856,866**	**694,997**	**25,414**	**(47,128,988)**	**-**	**(525,040)**
Shares issued in private placement, net of share issuance costs	2,135,572	1,480,100	-	(575,432)	-	-	-	904,668
Shares issued pursuant to RSU Exercise	507,500	380,625	(380,625)	-	-	-	-	-
Share-based compensation	-	-	507,458	-	-	-	-	507,458
Net and comprehensive loss	-	-	-	-	-	(1,343,658)	-	(1,343,658)
Balance, January 31, 2025	**11,197,138**	**35,887,396**	**11,983,699**	**119,565**	**25,414**	**(48,472,646)**	**-**	**(456,572)**

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

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended January 31, 2025 and 2024
(Unaudited - expressed in Canadian Dollars)

	2025	2024
	$	$
Operating activities		
Net loss	(1,343,658)	(2,462,174)
Items not involving cash:		
Foreign exchange	-	22,720
Share-based compensation	507,458	1,470,000
Changes in non-cash working capital balances:		
Amounts receivable	(12,060)	(2,367)
Inventory	(98,863)	(34,860)
Prepaid expenses	(31,642)	282,004
Accounts payable and accrued liabilities	(24,013)	(14,535)
Cash used in operating activities	**(1,002,778)**	**(739,212)**
Financing activities		
Proceeds from issuance of shares	785,103	500,000
Share subscriptions received	119,565	180,480
Cash provided by financing activities	904,668	680,480
Change in cash	(98,110)	(58,732)
Effect of foreign exchange on cash	-	(22,838)
Cash, beginning	153,560	107,160
Cash, ending	**55,450**	**25,590**
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Non-cash Investing and Financing Activities		
Fair value of RSUs exercised	380,625	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Bettermoo(d) Food Corporation (the "Company") was incorporated under the laws of the Province of Ontario, and on August 6, 2019, was continued into British Columbia. The Company's head office and registered and records office is located at 1199 West Hastings Street, Suite 800, Vancouver, British Columbia, Canada, V6E 3T5. The Company's shares trade on the Canadian securities Exchange under the trading symbol "MOOO," on the OTCQB under the trading symbol "MOOOF," and on the Borse Frankfurt Exchange under the symbol "015."

The Company is an innovative food and beverage company focused on developing and delivering high quality products through online and in-store retail platforms and uses social media to deliver educational experiences for their customer base while demonstrating and pioneering plant-based technologies. The Company's principal product is Moodrink, a vegan oat-based beverage.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At January 31, 2025, the Company has a working capital deficiency of $433,572 (July 31, 2024 - $502,040) and has accumulated losses of $48,472,646 (July 31, 2024 - $47,128,988) since inception and expects to incur further losses in the development of its business. Management has assessed that cash on hand as at year-end is insufficient to fund operations for the next 12 months in the absence of additional financing.

The Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the consolidated financial position of the Company and its ability to continue as a going concern. 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. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses, and the consolidated statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

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

These condensed interim consolidated financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on April 1, 2025.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, Bettermoo(d) Holdings Corp. The functional currency of Bettermoo(d) GmbH Organic GmbH is the European Euro ("Euro"). The functional currency of Happy Supplements Inc. is the United States Dollar ("USD").

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting period:

(Unaudited - expressed in Canadian Dollars)

	Incorporated	Nature	January 31, 2025	July 31, 2024
Bettermoo(d) GmbH	Lower Austria, Austria	Consumer products	0%	80%
Bettermoo(d) Holdings Corp.	BC, Canada	Consumer products	100%	100%
Happy Tea Supplements LLC	Florida, USD	Consumer products	0%	100%

The results of the subsidiaries will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

As at July 31, 2024, Happy Tea Supplements LLC had been officially dissolved. The Company had recognized a gain on discontinued operations of $102,332.

As at July 31, 2024, management conducted a control re-assessment over Bettermoo(d) GmbH and concluded that the Company lost control of this former subsidiary as at the beginning of the fiscal year 2024. Accordingly, the Company has derecognized the assets from Bettermoo(d) GmbH from the condensed interim consolidated financial statements. Accordingly, the Company has also recognized the impairment of investment in Bettermoo(d) GmbH, which is included in the consolidated statements of loss and comprehensive loss. Regarding the liabilities, the Company has assessed the likelihood of payment related to the expenses and reimbursement of Schöne Isabella, the managing director of Bettermoo(d) GmbH. Given the high likelihood of payment, the Company has recognized the financial obligation in the consolidated statements of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statement for the year ended July 31, 2024. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company`s audited consolidated financial statements for the year ended July 31, 2024.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated 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 interim consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments

Management has made significant judgments in the process of applying accounting policies. The ones that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements include:

i. The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.
ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.
iii. Management has applied judgement in determining whether or not the fair value of the services received pursuant to a certain agreement can be reliably measured. As a result, the Company has measured the transaction based on the fair value of the equity instruments issued therein.
iv. The determination of whether a set of assets acquired, and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits.
v. The determination of whether facts and circumstances suggest that the carrying value of intangible assets may exceed their recoverable amount is an area of significant judgement. Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment, estimates, and interpretations. Determining the recoverable amount of the individual asset or cash generating unit is subjective estimates and judgements. These estimates and judgments are inherently subjective given the Company`s stage of operations with minimal revenue producing history.
vi. The determination of whether there has been a loss of control of a subsidiary requires significant management judgement. Management assesses whether the Company has lost control over its subsidiaries through the assessment of whether the Company has rights to variable returns from the subsidiary, whether rights and obligations are retained by the Company, and whether the Company has the ability to direct control over the subsidiary's operations to realize returns from its involvement and investment in the subsidiary.

Significant estimates

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and subsequent fiscal financial years:

i. The Company determines its allowance for inventory obsolescence based upon expected inventory turnover, inventory aging, the expiry dates of the products, and current and future expectations with respect to product sales. Assumptions underlying the allowance for inventory obsolescence include future sales trends, marketing strategy and others. These estimates could materially change from period to period due to changes in various factors.
ii. The Company uses the Black-Scholes option pricing model to value options and warrants granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative.
iii. The Company determines the volatility assumption used in the Black-Scholes option pricing model based on assessment of the Company's historical volatility, which is then benchmarked and adjusted per assessment of comparable companies. The Black-Scholes option pricing model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions including volatility can materially affect estimates of fair values.

(Unaudited - expressed in Canadian Dollars)

5. DECONSOLIDATION OF BETTERMOOD GMBH

The Company conducted a control re-assessment over Bettermoo(d) GmbH in accordance with IFRS 10, *Consolidated Financial Statements*, and determined that it has lost control of this former subsidiary as at the beginning of the fiscal year 2024. Consequently, the Company had recognized $1,225,314 as loss on deconsolidation determined as at July 31, 2024.

During the six months ended January 31, 2025 the Company incurred expense of $20,830 related to Bettermoo(d) GmbH and recorded it as a loss on deconsolidation of subsidiary.

6. INVENTORY

Inventory is comprised of raw materials and finished goods held on hand related to the production of Moobert.

	January 31, 2025 $	July 31, 2024 $
Raw materials	142,549	318,910
Finished goods	-	334,870
Impairment in inventory	-	(610,094)
	142,549	**43,686**

During the six months ended January 31, 2025, the Company reversed $5,189 as an impairment in inventory (year ended July 31, 2024 - $Nil), and expensed $56,827 as cost of sales (year ended July 31, 2024 - $36,841).

7. PREPAID EXPENSES

Prepaid expenses relate to a rental deposit for the Bettermoo(d) GmbH's facility and prepayments rendered to third-party vendors for services to be incurred related to marketing and investor relations activities. As at January 31, 2025, the Company recognized prepaid expenses of $127,231 (July 31, 2024 - $95,589).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2025 $	July 31, 2024 $
Accounts payable	763,800	635,447
Accrued liabilities	33,738	186,104
	797,538	**821,551**

(Unaudited - expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

Related party transactions not otherwise described in these condensed interim consolidated financial statements are shown below. The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company are as follows:

	Three months ended January 31,		Six months ended January 31,	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Key Management Compensation				
Consulting fees	10,393	18,660	20,800	48,660
Professional fees	36,000	-	72,000	-
Wages and benefits	30,000	29,034	60,000	60,000
Share-based compensation	42,876	-	107,083	168,000
	119,269	47,694	259,883	276,660

Included in the accounts payable and accrued liabilities as at January 31, 2025 is $54,415 (July 31, 2024 – $24,416) related to the services incurred and expense reimbursements due to management and directors.

See Note 10(b) for shares issued to a related party for administrative services rendered.

10. SHARE CAPITAL

a) Share capital

Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

<u>During the six months ended January 31, 2025</u>

On August 30, 2024, the Company closed its non-brokered private placement previously announced on July 26, 2024 and May 3, 2024, issuing 2,114,428 units at a price of $0.70 per unit for gross proceeds of $1,480,100. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder to purchase 1 share for a period of five years from issuance at a price of $0.88 per share. The Company also issued 21,144 common shares at a price of $0.70 per share as administrative shares of the Company to Amalfi Corporate Services Ltd. a related party as the owner was the former CFO of the Company, in consideration for administrative services rendered.

The Company issued 507,500 common shares pursuant to the exercise of Restricted Share Units.

The Company had received $119,565 in subscriptions for a financing not yet completed.

<u>During the year ended July 31, 2024:</u>

On April 9, 2024, the Company cancelled 159,500 options that were granted on July 9, 2021 with total fair value of $1,313,413 and 155,000 options that were granted on January 25, 2022 with total fair value of $1,563,280.

(Unaudited - expressed in Canadian Dollars)

On March 1, 2024, the Company issued 320,000 units at a price of $1.57 per unit for gross proceeds of $502,400. Each unit consists of one common share and one transferable share purchase warrant. Each Warrant entitles the holder thereof to purchase one additional share of the Company for a period of five years from issuance at a price of $1.96 per Warrant Share. The warrants have a fair value of $Nil based on the residual value method. In connection with the private placement, the Company issued 6,400 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at $17,088.

On February 1, 2024, the Company issued 127,694 units at a price of $1.57 per unit for gross proceeds of $200,480. Each unit is comprised of one common share and one common share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of $1.96 for a period of five years after the date of issue. The warrants have a fair value of $Nil based on the residual value method. In connection with the private placement, the Company issued 2,554 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at $5,363.

On January 31, 2024, the Company issued 100,000 shares with a fair value of $160,000 to consultants in accordance with their consulting agreement.

On January 31, 2024, the Company issued 895,000 options with the total fair value of $1,355,000.

On December 15, 2023, the Company completed a non-brokered private placement for 265,958 units at a price of $1.88 per unit for gross proceeds of $500,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional share of the Company for a period of five years from issuance at a price of $2.21 per warrant. The warrants have a fair value of $Nil based on the residual value method. In connection with the private placement, the Company issued 5,318 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at $10,901.

On October 18, 2023, the Company extended the expiry date of 1,000,000 warrants initially granted on November 12, 2021 from November 12, 2023 to November 12, 2026.

On September 3, 2023, 412,750 warrants with an exercise price of $25 expired unexercised.

c) Warrants

Warrant transactions and the number of warrants outstanding as at January 31, 2025 and July 31, 2024 are summarized as follows:

	Number of Warrants	Exercise Price
		$
Balance, July 31, 2023	2,562,710	**8.00**
Expired	(412,750)	25.00
Issued	713,651	**2.05**
Balance, July 31, 2024	**2,863,611**	**4.04**
Issued	2,114,428	0.88
Balance, January 31, 2025	**4,978,039**	**2.69**

(Unaudited - expressed in Canadian Dollars)

The following warrants were outstanding and exercisable as at January 31, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price $	Outstanding and Exercisable
February 27, 2025	0.07	4.10	883,808
November 4, 2025	0.76	4.50	147,058
June 9, 2026	1.35	3.50	119,094
November 12, 2026	1.78	5.40	1,000,000
December 15, 2028	3.87	2.21	265,957
February 1, 2029	4.01	1.96	127,694
March 1, 2029	4.08	1.96	320,000
August 30, 2029	4.58	0.88	2,114,428
	2.96	2.69	4,978,039

Subsequent to January 31, 2025, 883,808 warrants expired unexercised.

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 20% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. The exercise price of these options is not less than the Company's closing market price on the day prior to the grant of the options less the applicable discount permitted by the CSE and will not otherwise be less than $0.10 per share. Options granted may not exceed a term of five years. All options vest when granted unless otherwise specified by the Board of Directors.

Stock options transactions and the number of stock options outstanding as at January 31, 2025 and July 31, 2024 are summarized as follows:

	Number of Warrants	Exercise Price
		$
Balance, July 31, 2023	443,400	**10.36**
Granted	895,000	1.06
Cancelled	(314,500)	11.97
Balance, July 31, 2024	**1,023,900**	**2.21**
Granted	270,000	0.60
Balance, January 31, 2025	**1,293,900**	**1.85**
Outstanding, January 31, 2025	**1,193,900**	**2.00**

(Unaudited - expressed in Canadian Dollars)

The following stock options were outstanding and exercisable as at January 31, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price $	Outstanding	Exercisable
July 9, 2026	1.44	10.50	58,900	58,900
November 12, 2026	1.78	3.00	70,000	70,000
January 31, 2029	4.00	1.60	895,000	895,000
August 15, 2029	4.54	0.75	170,000	170,000
January 9, 2029	4.94	0.35	100,000	-
	3.82	1.85	1,293,900	1,193,900

During the six months ended January 31, 2025, the Company granted 170,000 stock options, vesting immediately, with an exercise price of $0.75 and a 5-year life to a consultant. The options were fair valued at $121,000 using the Black-Scholes option pricing model.

The Company also granted 100,000 stock options to an officer of the Company, the options have a 5-year life and an exercise price of $0.35. The options vest over a six month period and were fair valued at $33,000 using the Black-Scholes option pricing model.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its options granted. The fair value of stock options issued was calculated using the following weighted average assumptions:

	Six months ended January 31, 2025	Year ended July 31, 2024
Risk-free interest rate	2.98%	3.43%
Expected option life in years	5	5
Expected share price volatility*	169%	169%
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price due to the Company's limited trading history.

e) Restricted Share Unit Awards

On August 15, 2024, the Company issued 507,500 Restricted Share Unit Awards ("RSUs") with a fair value of $380,625 to certain directors, officers and consultants of the Company that became fully vested on December 15, 2024. During the period the Company recorded share-based compensation expense of $380,625 related to this grant and as at January 31, 2025 all of the RSUs had been exercised.

On January 9, 2025, the Company issued 20,000 RSU's to an officer of the Company. The RSUs vest 50% on May 9, 2025 and 50% on September 8, 2025 and were fair valued at $7,000. As at January 31, 2025, the RSUs remain outstanding.

11. NON-CONTROLLING INTEREST

At as July 31, 2023, the Company's 80% interest in Bettermoo(d) GmbH is consolidated into the Company's condensed interim consolidated financial statements. The 20% interest attributable to a minority shareholder is

(Unaudited - expressed in Canadian Dollars)

presented as “non-controlling interest” within shareholders’ equity on the consolidated statement of financial position.
The Company conducted a control re-assessment over Bettermoo(d) GmbH in accordance with IFRS 10, *Consolidated Financial Statements*, and determined that it has lost control of this former subsidiary as at the beginning of the fiscal year 2024. Consequently, the Company has derecognized the assets and liabilities and recognized a loss on deconsolidation as at July 31, 2024.

The following table summarizes the non-controlling interest relating to Bettermoo(d) GmbH as at January 31, 2025 and July 31, 2024:

	Six months ended January 31, 2025 $	**Year ended July 31, 2024 $**
Balance, beginning of the period	-	2,870
Deconsolidation of Bettermoo(d) GmbH	-	(2,870)
Balance, end of the period	**-**	**-**

12. FINANCIAL INSTRUMENTS

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair values due to their short-term nature.

Fair value of Financial Instruments

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

Level 1 – Quoted Prices in Active Markets for Identical Assets

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2- Significant Other Observable Inputs

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. There are no items in Level 2 of the fair value hierarchy.

Level 3 – Significant Unobservable Inputs

Unobservable (supported by little or no market activity) prices. There are no items in Level 3 of the fair value hierarchy.

The Company measures its cash and amounts payable at amortized cost. The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

Discussions of risks associated with financial assets and liabilities are detailed below:

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its receivables.
The Company's cash is held at a large Canadian financial institution. At January 31, 2025 amounts receivable of $88,736 (July 31, 2024 - $76,676) consisted solely of receivables related to refundable government goods and services tax.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As of January 31, 2025, the Company has a working capital deficiency of $433,572.

Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short-term and long-term cash requirement.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as of January 31, 2025. Interest rate risk is minimal as promissory notes have a fixed interest rate.

ii. Price risk

The Company has limited exposure to price risk with respect to equity prices. The Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and adjusts it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers all components of equity as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto. There were no changes to the Company’s approach to capital management during the period ended January 31, 2025.

14. CONTINGENCIES

The Company has been alerted that it is subject to a potential legal claim with Gregg Sedun related to matters associated with Happy Tea Supplements LLC, the predecessor entity of the Company, in the amount of $50,000. These amounts relate to an investment in share capital of the predecessor entity whereby the common shares were not issued.

Further to assessment between the Company, legal counsel, and the opposition legal counsel, a settlement arrangement was agreed between parties for the payment of $50,000 cash. Therefore, in accordance with IAS 37, Provision, contingent liabilities and contingent assets, the Company has confirmed that there is a present obligation related to the legal claim and determined the likelihood of payment towards the potential legal claim is highly probable.

Accordingly, the Company has recognized the provision in the amount of $50,000 as at January 31, 2025.