Psyched Wellness Ltd.

Consolidated Financial Statements

For the Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Psyched Wellness Ltd.

Report on the Audit of the Consolidated financial statements

Opinion
We have audited the consolidated financial statements of Psyched Wellness Ltd. (the Company), which comprise the consolidated statements of financial position as at November 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of $4,309,232 during the year ended November 30, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended November 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Inventory Valuation – Lower of Cost and Net Realizable Value ("NRV")

Description of the matter
As described in Note 6 to the consolidated financial statements, the carrying value of the inventories amounted to $752,846 as at November 30, 2024.

Inventories are measured at the lower of cost and net realizable value in accordance with IAS 2, *Inventories*. The determination of NRV requires significant judgement and estimation including: anticipated future sales pricing, spoilage/best before product dates, loss of product potency, sales levels required for full realization and units earmarked for promotional and business development activities.

Management determined no NRV related inventories write-downs were required as of November 30, 2024.

Why the matter is a key audit matter
We determined this as a key audit matter as it represented an area of significant risk of material misstatement given the magnitude of the inventory and the significant management judgment involved in assessing the existence of impairment indicators. In addition, significant auditor judgement, knowledge and effort were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter.

- Obtained independent certificate of analysis, lab reports and stability data to ascertain potency of AME raw materials being satisfactory for current and future planned usage;
- Discussed with management the Company's business plan to realize on November 30, 2024 inventory quantities through 2025 and 2026; through a combination of current and future product offerings. Reviewed corroborative evidence to support the various channels outlined by management.
- Obtained prospective data on sales, shipments and promotional samples and information from management on planned usage of finished goods.
- We validated the underlying data used in the NRV calculations and tested the mathematical accuracy.

Information Other than the Consolidated financial statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 28, 2025

Psyched Wellness Ltd.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at November 30, 2024	As at November 30, 2023
		$	$
Assets			
Current			
Cash and cash equivalents	4	6,357,977	6,128,333
Accounts receivable	5	47,121	25,004
Inventories	6	752,846	962,981
Prepaid expenses and advances	7	657,178	147,892
Total Current Assets		7,815,122	7,264,210
Property and equipment	8	24,867	30,267
Intangible assets	9	46,624	43,848
Total Assets		7,886,613	7,338,325
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	10, 15	449,329	301,581
Deferred revenue		-	1,983
Total Liabilities		449,329	303,564
Equity			
Share capital	11	27,048,127	24,632,003
RSU Reserve	12	127,183	543,469
Contributed surplus	13	1,722,425	1,465,853
Reserve for warrants	14	5,338,447	6,355,769
Accumulated other comprehensive loss		(52,242)	(2,776)
Accumulated deficit		(26,746,656)	(25,959,557)
Total Shareholders' Equity		7,437,284	7,034,761
Total Liabilities and Equity		7,886,613	7,338,325

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Approved on behalf of the Board of Directors:

"Jeffrey Stevens"
Jeffrey Stevens, Director

"Janeen Stodulski"
Janeen Stodulski, Director

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

Psyched Wellness Ltd.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended November 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Year ended November 30, 2024	Year ended November 30, 2023
		$	$
Revenue			
Sales revenue	19	623,156	321,096
Cost of goods sold	6	(381,269)	(165,383)
Gross Profit		241,887	155,713
Expenses			
Advertising and promotion		489,492	904,852
Management salaries and consulting fees	15	1,071,003	895,895
Stock-based compensation	13,14,15	612,934	716,407
Professional fees	15	411,552	417,509
Office and general		463,760	369,074
Write-off of intangible assets	9	-	114,914
Regulatory compliance		52,008	91,749
Research and development costs	14	1,655,234	82,507
Depreciation	8	5,400	5,035
Total Expenses		(4,761,383)	(3,597,942)
Loss before Other Items		(4,519,496)	(3,442,229)
Other Income / (Expenses)			
Investment income	4	285,572	22,831
Gain on disposals of properties	21	-	29,484
Property taxes		(1,610)	(1,986)
Foreign exchange loss		(24,232)	(41,437)
Total Other Income		259,730	8,892
Net Loss		(4,259,766)	(3,433,337)
Other Comprehensive Loss			
Exchange loss on translation of foreign operations		(49,466)	(2,776)
Comprehensive loss		(4,309,232)	(3,436,113)
Weighted Average Number of Ourstanding Shares			
- Basic and diluted	11	237,300,290	162,317,626
Loss per Share			
- Basic and diluted	11	(0.018)	(0.021)

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

Psyched Wellness Ltd.
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended November 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Number of Shares	Share Capital	Reserve for Restricted Share Units	Contributed Surplus	Reserve for Warrants	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
		#	$	$	$	$	$	$	$
Balance, November 30, 2022		**135,789,695**	**21,001,495**	**487,000**	**2,048,878**	**3,254,521**	-	**(23,679,183)**	**3,112,711**
Issuance of shares from private placement	11	96,987,855	3,619,106	-	-	3,170,044	-	-	6,789,150
Share issuance costs	11	-	(78,598)	-	-	(68,796)	-	-	(147,394)
Stock-based compensation - RSUs	12	-	-	146,469	-	-	-	-	146,469
Isuance of shares on exercise of RSUs	12	1,000,000	90,000	(90,000)	-	-	-	-	-
Stock-based compensation	13	-	-	-	569,938	-	-	-	569,938
Cancellation of options	13	-	-	-	(1,152,963)	-	-	1,152,963	-
Exchange loss on translation of foreign operations		-	-	-	-	-	(2,776)	-	(2,776)
Net loss for the year		-	-	-	-	-	-	(3,433,337)	(3,433,337)
Balance, November 30, 2023		**233,777,550**	**24,632,003**	**543,469**	**1,465,853**	**6,355,769**	**(2,776)**	**(25,959,557)**	**7,034,761**
Balance, November 30, 2023		**233,777,550**	**24,632,003**	**543,469**	**1,465,853**	**6,355,769**	**(2,776)**	**(25,959,557)**	**7,034,761**
Issuance of units from private placement	11	48,889,284	1,881,502	-	-	1,540,748	-	-	3,422,250
Unit issuance cost	11		(19,878)	-	-	(16,279)	-	-	(36,157)
Issuance of shares on RSUs exercised	11,12	5,400,000	554,500	(554,500)	-	-	-	-	-
Stock-based compensation - RSUs	12	-	-	138,214	-	-	-	-	138,214
Stock-based compensation - Options	13	-	-	-	474,718	-	-	-	474,718
Stock-based compensation - Advisory Warrants	14	-	-	-	-	712,730	-	-	712,730
Cancellation of options	13	-	-	-	(218,146)	-	-	218,146	-
Expiry of warrants	14	-	-	-	-	(3,254,521)	-	3,254,521	-
Exchange loss on translation of foreign operations		-	-	-	-	-	(49,466)	-	(49,466)
Net loss for the year		-	-	-	-	-	-	(4,259,766)	(4,259,766)
Balance, November 30, 2024		**288,066,834**	**27,048,127**	**127,183**	**1,722,425**	**5,338,447**	**(52,242)**	**(26,746,656)**	**7,437,284**

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

Psyched Wellness Ltd.
Consolidated Statements of Cash Flows
For the Years Ended November 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Year ended November 30, 2024	Year ended November 30, 2023
		$	$
Operating Activities			
Net loss for the year		(4,259,766)	(3,433,337)
Adjustments for:			
Stock-based compensation	12	612,934	716,407
Share based compensation - research costs - warrants	14	712,730	-
Intangible expense write off		-	114,914
Depreciation expense	8	5,400	5,035
Gain on disposal of properties		-	(29,484)
		(2,928,702)	(2,626,465)
Net change in non-cash working capital items:			
Accounts receivable		(22,117)	38,942
Inventories		210,135	(696,192)
Prepaid expenses and advances		(509,286)	144,846
Accounts payable and accrued liabilities		147,747	126,690
Deferred revenue		(1,983)	(21,199)
Cash Flows used in Operating Activities		(3,104,206)	(3,033,378)
Financing Activities			
Proceeds from private placements	11	3,422,250	6,789,150
Issuance costs paid on private placements	11	(36,157)	(147,394)
Cash Flows provided by Financing Activities		3,386,093	6,641,756
Investing Activities			
Additions of property and equipment	8	-	(10,927)
Additions of trademarks		(2,777)	(63,394)
Proceeds on disposals of properties		-	33,968
Transaction costs on disposals		-	(4,483)
Cash flows used in investing activities		(2,777)	(44,836)
Increase in cash and cash equivalents		279,110	3,563,542
Effects of exchange rate changes on cash and cash equivalents		(49,466)	(2,776)
Cash and cash equivalents, beginning of year		6,128,333	2,567,567
Cash and cash equivalents, end of year		6,357,977	6,128,333

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

1. Nature of Operations and Going Concern

Psyched Wellness Ltd. ("Psyched Wellness" or the "Company") is incorporated in the Province of Ontario, Canada. Psyched Wellness is a Canadian-based health supplements company dedicated to the research and distribution of mushroom-derived products and associated consumer packaged goods. The Company's objective is to create premium mushroom-derived products that have the potential to become a leading North American brand in the emerging functional food category. The Company is currently producing and developing a line of Amanita Muscaria-derived water-based extracts, teas and capsules designed to help with three health objectives: (i) promote stress relief, (ii) relaxation and (iii) assist with restful sleeping.

The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "PSYC." The Company's common shares are also listed in the United States (the "U.S.") on the OTCQB® Venture Market under the ticker symbol "PSYCF," and in Germany on the Frankfurt Stock Exchange under the ticker symbol "5U9". The Company's registered office address is 36 Toronto Street, Suite 701, Toronto, Ontario, M5C 2C5.

The business of distributing mushroom-derived products involves a high degree of risk, and there is no assurance that any prospective project in the health and wellness industry will be successfully initiated or completed. Further, regulatory evolution and uncertainty may require the Company to alter its business plan and make further investments to react to regulatory changes.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. The application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. During the year ended November 30, 2024, the Company incurred a comprehensive loss of $4,309,232 (2023 – $3,436,113), and as of that date, the Company's accumulated deficit was $26,746,656 (November 30, 2023 – accumulated deficit of $25,959,557). It is not possible to predict whether financing efforts will continue to be successful in the future or if the Company will attain profitable levels of operations. These conditions represent material uncertainties which may cast doubt on the Company's ability to continue as a going concern.

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

2. Basis of Presentation

(a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These consolidated financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on March 27, 2024.

(b) Basis of Measurement

These consolidated financial statements have been prepared in accordance with IFRS, on the historical cost basis except for financial instruments which are measured at fair value, as explained in the material accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Psyched Wellness Corp. ("Psyched Corp.") and AME Wellness Inc. ("AME Wellness"). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are-deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

2. Basis of Presentation (continued)

(d) Functional Currency

These consolidated financial statements are presented in Canadian dollars ("$" or "CAD"), which is also the functional currency of the Company and Psyched Corp. The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of AME Wellness is the U.S. dollar ("USD").

(e) Significant Accounting Judgments, Estimates and Assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financings and the cash position at year-end.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the consolidated statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Valuation of inventories

The valuation of work in process and finished goods requires the estimate of production costs incurred, which become part of the carrying amount for inventories. The Company must also determine if the cost of any inventories exceeds its net realizable value ("NRV"), such as cases where prices have decreased, or inventories have spoiled or otherwise been damaged. The Company estimates the NRV of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and gross profit.

Impairment

Long-lived assets, including property and equipment and intangible assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

2. Basis of Presentation (continued)

(e) Significant Accounting Judgments, Estimates and Assumptions (continued)

Warrants, options and restricted share units

Management determines the costs for share-based compensation on options, restricted share units ("RSUs"), and share purchase warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments are used in applying the valuation techniques. These assumptions and judgments include the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the Warrants or options, and expected risk-free interest rate. Such assumptions and judgments are inherently uncertain. Changes in these assumptions can affect the fair value estimates of share-based compensation.

Income taxes

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Expected credit losses on financial assets

Determining an allowance for expected credit losses ("ECL") for amounts receivable and all debt financial assets not held at fair value through profit and loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Research and development costs

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

Functional currency

Foreign currency translation under IFRS requires each entity to determine its own functional currency, which becomes the currency that entity measures its results and financial position in. Judgment is necessary in assessing each entity's functional currency. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labor, material and other costs for each consolidated entity.

3. Summary of Material Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents on the consolidated statements of financial position comprises bank balances held in a Canadian chartered bank, and funds held in federally regulated bank in the U.S., which are available on demand.

(b) Revenue from Contracts with Customers

The Company's policy for the timing and amount of revenue to be recognized is based on the following 5-step process:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price, which is the total consideration provided by the customer.
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when the relevant criteria are met for each unit (at a point in time or over time).

Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer. Net revenue from sale of goods, as presented in the consolidated statements of loss and comprehensive loss, represents revenue from the sale of goods less expected price discounts and related transaction fees.

The Company's contracts with customers for the distribution of mushroom-derived products and associated consumer packaged goods consist of only one performance obligation. The Company has concluded that revenue from the sale of these products should be recognized at the point in time when control is transferred to the customer, which is on shipment of goods.

The Company's payment terms vary by customer types. Payment is due immediately before the transfer of control.

Deferred revenue

Deferred revenue comprises the value of sales of goods which had been charged to a customer when an order is placed, for which will be delivered in the future.

The revenue from the sale of goods is deferred until shipment of mushroom-derived products and associated consumer packaged goods is completed. Deposits received on products not yet shipped are presented in the consolidated statements of financial position as deferred revenue.

(c) Financial Instruments

The Company classifies and measures financial instruments in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities on the consolidated statements of financial position when it becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For financial assets and financial liabilities measured at fair value, gains and losses are recorded in profit or loss.

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

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss. As at November 30, 2024 and 2023, the Company did not have any financial assets at FVTPL.

3. Summary of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss) ("OCI"). As at November 30, 2024 and 2023, the Company did not have any financial assets at FVTOCI.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

The Company's classification of financial assets and financial liabilities under IFRS 9 are summarized below:

Cash and cash equivalents	Amortized cost
Accounts receivable (excluding sales tax recoverable)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or OCI (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in operations.

Expected credit loss impairment model

IFRS 9 introduced a single ECL impairment model, which is based on changes in credit quality since initial application. The adoption of the ECL impairment model had resulted in a provision of ECL recorded on the Company's consolidated statements of loss and comprehensive loss.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

The Company derecognizes financial liabilities only when its obligation under the financial liabilities is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

3. Summary of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – 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).

As at November 30, 2024 and 2023, the Company did not have any financial instruments measured at fair value.

(d) Inventories

Inventories are initially recognized at cost, and subsequently measured at the lower of cost and NRV, which is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale, using the "weighted-average cost" method. Cost comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

All inventories are reviewed for impairment due to slow-moving stock and obsolescence. The provision for obsolete, slow-moving and defective inventories are recognized in profit or loss. Previous write-downs to NRV are reversed to the extent there is a subsequent increase in the NRV of the inventories.

(e) Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes acquisition costs or construction costs, as well as costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately.

Depreciation is computed using the straight-line method based on the estimated useful life of the assets and commences when title and ownership have transferred to the Company and is readily available for its intended use. The residual value, useful life and depreciation methods are reviewed at the end of each reporting period. Such a review takes into consideration the nature of the asset, the intended use and impact of technological changes. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of capital assets. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recorded on a straight-line basis for the following:

- Over eight years for storage equipment; and
- Over five years for other machinery.

(f) Intangible Assets

Intangible assets comprised of trademarks, provisional patents and costs from internally-generated intangible assets associated with research costs incurred on the Company's Amanita Muscaria Extract, "AME-1", and are recorded at cost less accumulated amortization and accumulated impairment losses. The estimated useful life, amortization method, and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with an indefinite useful life, are not amortized. These intangible assets are, however, reviewed for impairment on an annual basis, and whenever there is an indicator of impairment.

3. Summary of Material Accounting Policies (continued)

(g) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

As at November 30, 2024 and 2023, the Company had no material provisions.

(h) Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current income taxes

Current income tax is recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred income taxes

Deferred tax is recorded for temporary differences at the date of the consolidated statements of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

Estimates

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(i) Share Capital

In situations where the Company issues units, the value of units is bifurcated and the value of warrants is included as a separate reserve for warrants of the Company's equity. The proceeds from the issuance of units are allocated between common shares and warrants on a pro-rated basis using the relative fair value method. The fair value of the common shares is determined using the share price at the date of issuance of the units. The fair value of the warrants is determined using the Black-Scholes pricing model ("Black-Scholes").

(j) Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

3. Summary of Material Accounting Policies (continued)

(k) Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

(l) Share-Based Payments

The Company operates an employee stock option plan (the "Option Plan"). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of options is determined using Black–Scholes. The fair value of equity-settled share-based transactions is recognized as a stock-based compensation expense with a corresponding increase in contributed surplus.

The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Upon the exercise of stock options and warrants, proceeds received from the stock option or warrant holders are recorded as an increase to share capital and the related reserves is transferred to share capital. Expired warrants are also transferred to accumulated deficit.

The Company also operates a RSUs Plan, where RSUs are granted to directors, employees and consultants from time to time. RSUs are measured at the fair value of the date of grant, based on the closing price of the Company's common shares on the date of grant. The fair value of stock-based compensation on RSUs is recognized as an expense with a corresponding increase in the reserve for RSUs over the vesting period.

(m) Research and Development Costs

Expenditures during the research phase are expensed as incurred. Expenditures incurred during the development phase are capitalized as internally-generated intangible assets if the Company can demonstrate each of the following criteria:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible assets and use or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

(n) Related Party Transactions

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

3. Summary of Material Accounting Policies (continued)

(o) Foreign Currency Translation

Monetary assets and liabilities denominated in currencies other than CAD are translated into CAD at the rate of exchange in effect at the consolidated statements of financial position date. Non-monetary assets and liabilities are translated at the historical rates. Revenues and expenses are translated at the transaction exchange rate. Foreign currency gains or losses resulting from translation are reflected in net comprehensive income (loss) for the period.

The assets and liabilities of entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the financial period;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity as reserve for foreign exchange.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future, and which in substance, is considered to form part of the net investment in the foreign operation, are recognized in the reserve for foreign exchange.

(p) New Accounting Pronouncements

At the date of authorization of these financial statements, the IASB and the IFRIC have issued the following amendments which are effective for annual periods beginning on or after January 1, 2023. The Company had assessed that there would be no material impact upon the adoption of these following amendments on its consolidated financial statements:

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments was effective for annual periods beginning on January 1, 2023. The Company adopted this amendment on December 1, 2023, and there was no material impact to the consolidated financial statements.

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2024 or later periods. IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

4. Cash and Cash Equivalents

As at November 30, 2024, the Company had total cash and cash equivalents of $6,357,977 (November 30, 2023 – $6,128,333), including a balance of $6,096,195 (November 30, 2023 – $4,776,643) invested in money market funds with a U.S. bank, which are available on demand.

During the year ended November 30, 2024, investment income of $285,514 (2023 – $22,831) was received and reinvested into the money market funds.

(Expressed in Canadian Dollars)

5. Accounts Receivable

The Company's accounts receivable balance comprises amounts due from government taxation authorities in respect of the Harmonized Sales Tax and trade and other receivables from suppliers. The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against these receivables during the year ended November 30, 2024, which are due in less than one year.

	November 30, 2024	November 30, 2023
	$	$
Sales tax recoverable	9,401	8,479
Trade and other receivable	37,720	16,525
	47,121	25,004

6. Inventories

As at November 30, 2024 and 2023, the Company's inventories consisted of raw materials held with the Company's U.S.-based contract manufacturing organization partner, and those in transit, and finished goods.

	November 30, 2024	November 30, 2023
	$	$
Raw materials	741,812	783,770
Finished goods in process	-	117,888
Finished goods	11,034	61,323
	752,846	962,981

During the year ended November 30, 2024, inventories of finished goods expensed to cost of goods sold was $316,049 (2023 – $115,170).

7. Prepaid Expenses and Deposits

	November 30, 2024	November 30, 2023
	$	$
Prepaid insurance	73,237	107,118
Advances made to suppliers	583,941	40,774
	657,178	147,892

8. Property and Equipment

	Machinery	Total
	$	$
Cost at:		
November 30, 2022	25,714	25,714
Additions	10,927	10,927
November 30, 2023 and 2024	36,641	36,641
Accumulated depreciation at:		
November 30, 2022	1,339	1,339
Depreciation expense	5,035	5,035
November 30, 2023	6,374	6,374
Depreciation expense	5,400	5,400
November 30, 2024	11,774	11,774
Net book value:		
November 30, 2023	30,267	30,267
November 30, 2024	24,867	24,867

(Expressed in Canadian Dollars)

9. Intangible Assets

During the year ended November 30, 2021, the Company had submitted an application with the United States Patent and Trademark Office to register the trademark "AME-1" in connection with its Amanita Muscaria Extract formulation. As at November 30, 2024, the Company has submitted applications for various provisional patents relating to Amanita Muscaria Extract formulation, extraction and usage. As the trademarks and patents are considered to have an indefinite life, they are not subject to amortization. Provisional patents are considered to have an indefinite life until they are either granted or rejected.

During the year ended November 30, 2024, the Company incurred an additional cost of $2,777 (2023 – $49,879) in relation to internally-generated research costs incurred on AME-1. During the year ended November 30, 2024, the Company also recorded a write-off of $nil (2023 – $114,914) on the entire balance of internally-generated intangible assets which were not considered recoverable.

10. Accounts Payable and Accrued Liabilities

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities. The Company's standard term for trade payable is 30 to 60 days.

	November 30, 2024	November 30, 2023
	$	$
Accounts payable	**292,855**	139,220
Accrued liabilities	**156,474**	162,361
	449,329	301,581

11. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. Common shares issued and outstanding as at November 30, 2024 and 2023 are as follows.

	Number of common shares	**Amount**
	#	**$**
Balance, November 30, 2022	**135,789,695**	**21,001,495**
Shares issued from private placement financing	96,987,855	3,619,106
Share issuance costs	-	(78,598)
Shares issued on vesting of RSUs	1,000,000	90,000
Balance, November 30, 2023	**233,777,550**	**24,632,003**
Shares issued from private placement financing	48,889,284	1,881,502
Share issuance costs	-	(19,878)
Shares issued on vesting of RSUs	5,400,000	554,500
Balance, November 30, 2024	**288,066,834**	**27,048,127**

Share capital transactions for the year ended November 30, 2024

On April 30, 2024, the Company closed the final tranche (the "Tranche 2B") of a non-brokered private placement (the "Offering"). Pursuant to the Tranche 2B, the Company issued 48,889,284 units (each a "Unit") at a price of $0.07 per Unit for gross proceeds of $3,422,250 (US$2,500,000). Each Unit is comprised of one common share and one warrant (each a "Warrant") exercisable at $0.10 for a period of 60 months from issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE. The Company recorded $1,881,502 for the issuance of shares and $1,540,748 for the issuance of warrants based on a relative fair value calculation. See Note 14 for more details.

In connection with the closing of the Tranche 2B, the Company paid total issuance costs of $36,157.

During the year ended November 30, 2024, the Company also issued 5,400,000 common shares as a result of the vesting of RSUs. These common shares were valued at an amount of $554,500. See Note 12 for more details.

11. Share Capital (continued)

Share capital transactions for the year ended November 30, 2023

On June 12, 2023, the Company closed the initial tranche (the "Initial Tranche") of a non-brokered private placement (the "Offering"). Pursuant to the Initial Tranche, the Company issued 9,585,000 units (each a "Unit") at a price of $0.07 per Unit for gross proceeds of $670,950 (USD $500,000). Each Unit is comprised of one common share and one warrant (each a "Warrant") exercisable at $0.10 for a period of 60 months from issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE.

On August 31, 2023, the Company closed the second tranche ("Tranche 2A") of the Offering. Pursuant to Tranche 2A, the Company issued 87,402,855 Units at a price of $0.07 per Unit for gross proceeds of $6,118,200 (USD $4,500,000). Each Unit is comprised of one common share and one Warrant exercisable at $0.10 for a period of 60 months from issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE.

In connection with the closing of the two tranches under the Offering, the Company paid total issuance costs of $147,394.

During the year ended November 30, 2023, the Company also issued 1,000,000 common shares as a result of the vesting of RSUs. These common shares were valued at an amount of $90,000. See Note 13 for more details.

Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the net loss of $4,259,766 for the year ended November 30, 2024 (2023 – $3,433,337) by the weighted-average number of common shares outstanding of 237,300,290 during the year (2023 – 162,317,626).

For the year ended November 30, 2024, the basic and diluted loss per share was $0.018 (2023 – basic and diluted loss of $0.021).

12. Reserve for Restricted Share Units

On January 24, 2022, the Company implemented the RSU Plan. Under the RSU Plan, Eligible Persons (as such term is defined in the RSU Plan) may, at the discretion of the Compensation Committee of the Board, be allocated a number of RSUs, which are subject to a maximum vesting term of three years from the end of the calendar year in which RSUs were granted.

RSU transactions for the year ended November 30, 2024

During the year ended November 30, 2024, 5,400,000 RSUs were exercised. As a result, an amount of $554,500 was reallocated from reserve from RSUs to share capital.

RSU transactions for the year ended November 30, 2023

On September 1, 2023, the Company granted 3,500,000 RSUs to an officer. The RSUs vest upon the following terms: (i) 1,000,000 RSUs vest immediately; (ii) 500,000 RSUs vest on the six-month anniversary of the closing of Tranche 2A; and (iii) 2,000,000 RSUs vest in equal quarterly installments of 250,000 RSUs, beginning on May 1, 2024. Of the 1,000,000 RSUs which vested immediately on grant, they were concurrently settled in common shares of the Company. As a result, an amount of $90,000 was reallocated from reserve from RSUs to share capital.

As at November 30, 2024, the Company had 1,750,000 RSUs outstanding, of which 500,000 are exercisable.

During the year ended November 30, 2024, the Company recorded stock-based compensation of $138,214 (2023 - $146,469) related to the vesting of RSUs.

(Expressed in Canadian Dollars)

13. Contributed Surplus

The Company maintains the Option Plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The Option Plan provides that the aggregate number of securities reserved for issuance will be up to 10% of the number of the common shares issued and outstanding from time to time. The Option Plan is administered by the Board, which has full and final authority with respect to granting stock options thereunder. As at November 30, 2024, the Company had 9,781,683 common shares that are issuable under the Option Plan.

Under the Option Plan, the exercise price of stock options grants will be determined by the Board, will not be less than the greater of the closing market prices of the underlying securities on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All stock options granted under the Option Plan will expire not later than the date that is ten years from the date that such options are granted. Stock options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from the date of termination other than for cause employment (or such other date as Board or a committee thereof may determine); (iii) one year from the date of death or disability. Vesting terms are determined at the discretion of the Board.

The following summarizes the options activity for the years ended November 30, 2024 and 2023:

	2024		2023	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	**$**	#	$
Outstanding, beginning of year	**18,875,000**	**0.10**	12,875,000	0.17
Granted	**800,000**	**0.10**	7,150,000	0.10
Granted	**3,000,000**	**0.10**	500,000	0.10
Granted	-	-	5,500,000	0.10
Cancelled	**(3,650,000)**	**0.10**	(1,050,000)	0.15
Cancelled	-	-	(2,000,000)	0.145
Cancelled	-	-	(750,000)	0.185
Cancelled	-	-	(100,000)	0.19
Cancelled	-	-	(250,000)	0.225
Cancelled	-	-	(1,000,000)	0.23
Cancelled	-	-	(2,000,000)	0.39
Outstanding, end of year	**19,025,000**	**0.10**	18,875,000	0.10

Options activities for the year ended November 30, 2024

On May 8, 2024, the Company granted 800,000 options to certain employees. The options are exercisable at a price of $0.10 per common share for a period of five years. The options vest four months from the date of grant and were valued using Black Scholes with the following assumptions: expected volatility of 129.36% based on the historical volatility, expected dividend yield of 0%, risk-free interest rate of 3.68% and an expected life of five years. The grant date fair value attributable to these options of $65,475 was recorded as stock-based compensation in connection with the vesting of options during the year ended November 30, 2024.

On May 14, 2024, the Company granted 3,000,000 options to certain directors, advisory board members, employees, advisors and consultants. The options are exercisable at a price of $0.10 per common share for a period of five years. The options vest four months from the date of grant and were valued using Black Scholes with the following assumptions: expected volatility of 129.14% based on the historical volatility, expected dividend yield of 0%, risk-free interest rate of 3.76% and an expected life of five years. The grant date fair value attributable to these options was $245,424 was recorded as stock-based compensation in connection with the vesting of options during the year ended November 30, 2024.

During the year ended November 30, 2024, the Company cancelled an aggregate 3,650,000 options exercisable at $0.10 per common share. An amount of $218,146, representing the grant date fair value recognized as stock-based compensation of these options recorded in contributed surplus, was transferred to accumulated deficit upon the cancellation.

(Expressed in Canadian Dollars)

13. Contributed Surplus (continued)

Options activities for the year ended November 30, 2023

On January 6, 2023, the Company cancelled an aggregate 7,150,000 options previously granted to directors, advisory board members, employees, advisors and consultants (collectively the "Participants"), exercisable at prices ranging from $0.145 to $0.39 per common share. An amount of $1,152,963, representing the grant date fair value recognized as stock-based compensation of these options recorded in contributed surplus, was transferred to accumulated deficit upon the cancellation.

On February 5, 2023, the Company, in compliance with the policies of the CSE, granted an equal number of options to such Participants at an exercise price of $0.10. These options vested immediately on grant and will expire three years from the date of grant. These options were valued using the Black-Scholes pricing model ("Black-Scholes") with the following assumptions: expected volatility of 124% based on historical share price of the Company, expected dividend yield of 0%, risk-free interest rate of 3.54% and an expected life of three years. The grant date fair value attributable to these options of $399,626 was recorded as stock-based compensation in connection with the vesting of options during the year ended November 30, 2023.

On March 15, 2023, the Company granted 500,000 options to certain employees. The options are exercisable at a price of $0.10 per common share for a period of five years. The options vest four months from the date of grant and were valued using Black-Scholes with the following assumptions: expected volatility of 100% based on the estimated volatility for the psychedelic industry, expected dividend yield of 0%, risk-free interest rate of 2.85% and an expected life of five years. The grant date fair value attributable to these options of $29,023 was recorded as stock-based compensation in connection with the vesting of options during the year ended November 30, 2023.

On September 1, 2023, the Company granted 5,500,000 options to certain officers. The options are exercisable at a price of $0.10 per common share for a period of five years, and vest upon the following terms:

- 1,000,000 options vested immediately on grant;
- 500,000 options vest on the six-month anniversary of the closing of Tranche 2A;
- 3,000,000 options vest in equal quarterly installments of 250,000 options, beginning on the nine-month anniversary of the closing of Tranche 2A; and
- 1,000,000 options vest in equal quarterly installments of 250,000 options, beginning on May 26, 2026.

The options were valued using Black-Scholes with the following assumptions: expected volatility of 141% based on the estimated volatility for the psychedelic industry, expected dividend yield of 0%, risk-free interest rate of 3.83% and an expected life of five years. The grant date fair value attributable to these options was $440,971, of which $141,182 was recorded as stock-based compensation in connection with the vesting of options during the year ended November 30, 2023.

The following table summarizes information of stock options outstanding and exercisable as at November 30, 2024:

Date of expiry	Number of options outstanding	Number of options exercisable	Exercise price	Weighted average remaining contractual life
	#	#	$	Years
July 13, 2025	4,975,000	4,975,000	0.10	0.62
February 5, 2026	4,550,000	4,550,000	0.10	1.18
March 15, 2028	200,000	200,000	0.10	3.29
September 1, 2028	5,500,000	2,250,000	0.10	3.75
May 8, 2029	800,000	800,000	0.10	4.44
May 14, 2029	3,000,000	3,000,000	0.10	4.45
	19,025,000	**15,775,000**	**0.10**	**2.45**

During the year ended November 30, 2024, the Company recorded stock-based compensation of $474,718 (2023 - $569,938) related to the vesting of stock options.

(Expressed in Canadian Dollars)

14. Reserve for Warrants

The following summarizes the warrant activity for the years ended November 30, 2024 and 2023:

	2024		2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
	#	$	#	$
Outstanding, beginning of year	120,874,220	0.16	23,886,365	0.42
Expired	(22,395,365)	0.43	-	-
Expired	(1,491,000)	0.31	-	-
Granted	35,066,632	0.10	96,987,855	0.10
Granted	48,889,284	0.10	-	-
Outstanding, end of year	180,943,771	0.10	120,874,220	0.16

Warrant issuances for the year ended November 30, 2024

On February 17, 2024, 22,395,365 warrants exercisable at $0.43 and 1,491,000 broker warrants exercisable at $0.31 expired unexercised, respectively. An amount of $3,254,521, representing the grant date fair value of these warrants, was transferred from the reserve for warrants to accumulated deficit upon the expiry.

On April 19, 2024, the Company entered into a master services agreement with Zerkalo, LLC, ("Zerkalo") pursuant to which the Company engaged Zerkalo to provide product development, marketing, distribution, and supply chain set up for a product derived from AME-1. The Company will allocate a budget $2,250,000 USD in cash towards Zerkalo, payable in ten quarterly installments of $225,000 USD. All payments made during the year ended November 30, 2024 were included as research and development costs. On April 30, 2024, the Company issued 35,066,632 Advisory Warrants ("warrants") to Zerkalo in connection with the master services agreement. Each Warrant is exercisable at $0.10 for a period of 60 months from the date of issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE. 23,377,755 warrants vest in quarterly installments over the span of 10 quarters, and the remaining 11,688,877 warrants vest only upon the completion of the product launch pursuant to the master services agreement. The grant date fair value of the warrants issued was estimated to be $1,579,366 using Black-Scholes with the following assumptions: expected volatility of 129.10% based on historical volatility, expected dividend yield of 0%, risk-free interest rate of 3.87% and an expected life of five years. During the fiscal year ended November 30, 2024, $712,730 related to the vesting of warrants was included as research and development costs.

On April 30, 2024, the Company issued 48,889,284 Warrants in connection with the closing of Tranche 2B, as disclosed in Note 11. Each Warrant is exercisable at $0.10 for a period of 60 months from the date of issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE. The grant date fair value of the warrants issued was estimated to be $2,201,924 using Black-Scholes with the following assumptions: expected volatility of 129.10% based on historical volatility, expected dividend yield of 0%, risk-free interest rate of 3.87% and an expected life of five years.

In connection with the closing of the Offering, issuance costs of $16,279 were allocated to warrants reserve.

Warrant issuances for the year ended November 30, 2023

On June 12, 2023, the Company issued 9,585,000 Warrants in connection with the closing of the Initial Tranche, as disclosed in Note 12. Each Warrants is exercisable at $0.10 for a period of 60 months from the date of issuance subject to acceleration and compliance with the policies of the CSE. The grant date fair value of the Warrants issued was estimated to be $314,382 using Black-Scholes with the following assumptions: expected volatility of 139% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.64% and an expected life of five years.

On August 31, 2023, the Company issued 87,402,855 Warrants in connection with the closing of Tranche 2A, as disclosed in Note 12. Each Warrants is exercisable at $0.10 for a period of 60 months from the date of issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE. The grant date fair value of the Warrants issued was estimated to be $2,855,662 using Black-Scholes with the following assumptions: expected volatility of 143% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.89% and an expected life of five years.

In connection with the closing of the Offering, issuance costs of $68,796 were allocated to warrants reserve.

(Expressed in Canadian Dollars)

14. Reserve for Warrants (continued)

The following table summarizes information of warrants outstanding as at November 30, 2024:

Date of expiry	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	$	Years
June 12, 2028	9,585,000	0.10	3.53
August 31, 2028	87,402,855	0.10	3.75
April 30, 2029	48,889,284	0.10	4.42
April 30, 2029	35,066,632	0.10	4.42
	180,943,771	0.10	4.05

During the year ended November 30, 2024, the Company recorded stock-based compensation of $712,730 (2023 - $nil) related to the vesting of warrants, which was included in research and development costs on the consolidated statements of loss and comprehensive loss.

15. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and other members of key management personnel during the years ended November 30, 2024 and 2023 were as follows:

	November 30, 2024	November 30, 2023
	$	$
Management salaries and consulting fees	717,176	676,492
Professional fees	128,000	117,500
Stock-based compensation	547,456	483,379
	1,392,632	1,277,371

On May 1, 2021, Psyched Wellness and the Chief Executive Officer ("CEO") of the Company entered into an executive agreement, whereas the Company agreed to pay an annual base salary of $240,000 for the CEO's services. The CEO may also be eligible to receive an annual bonus at the discretion of the Compensation Committee of up to 50% of his annual base salary, based on criteria set by the Board. Effective September 1, 2023, the CEO's annual salary was adjusted to $276,000. During the year ended November 30, 2024, the Company recorded management salaries of $281,524 (2023 – $269,000) in relation to the CEO's employment compensation. As at November 30, 2024, $7,553 (November 30, 2023 – $34,649) owing to the CEO was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

On March 25, 2020, Psyched Wellness and the Chief Operating Officer ("COO") of the Company, entered into a consulting agreement, for a monthly renumeration of $8,000 in consideration for the COO's services. Subsequently, the COO's renumeration had been adjusted to $10,000 per month, which was further adjusted to $16,666 per month effective January 1, 2022. Effective September 1, 2023, the consulting agreement was further amended to pay an annual fee of $230,000 for the COO's services. The COO may be eligible to receive an annual bonus at the discretion of the Compensation Committee of up to 50% of his annual fee, based on criteria set by the Board. During the year ended November 30, 2024, the COO charged fees of $230,000 (2023 – $207,492) for consulting services provided to the Company, which are included in management salaries and consulting fees. As at November 30, 2024, $25,931 (November 30, 2023 – $26,527) owing to the COO was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

On December 1, 2021, Psyched Wellness and its former Chief Commercial Officer ("CCO"), entered into an executive agreement, whereas the Company agreed to pay an annual base salary of $200,000 for the CCO's services. During the year ended November 30, 2024, the Company recorded management salaries of $144,337 (2023 – $200,000) in relation to the former CCO's employment compensation. As at November 30, 2024, $nil (2023 – $nil) owing to the former CCO was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

15. Related Party Transactions (continued)

During the year ended November 30, 2024, WilRo Consulting, a Company owned by a director of the Company, charged fees of $61,322 (2023 – $nil), for services provided to Psyched Wellness, which are included in management salaries and consulting fees. As at November 30, 2024, $5,250 (2023 – $nil) owing to the director was included in accounts payable and accrued liabilities.

During the year ended November 30, 2024, Branson Corporate Services Ltd. ("Branson"), where the Chief Financial Officer ("CFO") of the Company is employed, charged fees of $128,000 (2023 – $117,500), for CFO services, as well as other accounting and administrative services, which are included in professional fees. As at November 30, 2024, $13,560 (November 30, 2023 – $9,040) owing to Branson was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Stock-based compensation

During the years ended November 30, 2024 and 2023, the Company had granted certain options and RSUs to various officers and directors. In 2024, total stock-based compensation of $547,456 was recorded in connection with the vesting of these securities (2023 – $483,379).

Other transactions

In connection with the Offering, Gotham Green Fund III, L.P. and Gotham Green Fund III (Q), L.P. (together, "Gotham") participated in the financing and acquired an aggregate of 77,564,999 Units pursuant to Tranche 2A and 48,889,284 Units pursuant to Tranche 2B.

A director of the Company (the "Participating Insider"), who is also a principal of Gotham, participated in the Offering and acquired an aggregate of 3,884,571 Units pursuant to Tranche 2A.

As at November 30, 2024, Gotham, the Participating Insider and affiliates and/or co-investors collectively own 145,877,139 (2023 - 96,987,855) common shares, or approximately 50.6% (2023 - 41.5%) of the Company's outstanding common shares. $nil (2023 - $15,000) incurred in issuance costs owing to Gotham was also included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

16. Income Taxes

The reported recovery of income taxes differs from amounts computed by applying the combined Canadian federal and provincial income tax rates to the reported loss before income taxes due to the following:

	November 30, 2024	November 30, 2023
Reported loss before income taxes	**(4,259,766)**	(3,433,337)
Combined statutory income tax rate	**26.5%**	26.5%
Expected income tax recovery at current rate	**(1,128,838)**	(909,834)
Increase (decrease) to the income tax expense resulting from:		
Non-deductible stock-based compensation	**162,427**	189,848
Other permanent differences	**298,944**	103,414
Change in deferred income tax asset not recognized	**667,467**	616,572
	-	-

(Expressed in Canadian Dollars)

16. Income Taxes (continued)

Deferred tax balances

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	November 30, 2024	November 30, 2023
	$	$
Non-capital losses carried forward	**4,548,324**	3,817,664
Capital losses	**720,732**	720,732
Land	**39,750**	39,750
Property and equipment	**33**	7,574
Financing costs	**58,728**	113,762
Intangible asset	**(618)**	-
Deferred tax assets	**5,366,950**	4,699,482
Less: Deferred tax assets not recognized	**(5,366,950)**	(4,699,482)
Net deferred tax assets	**-**	-

As at November 30, 2024 and 2023, the Company had a 100% valuation allowance against its deferred income tax balances as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be realized.

Finance costs will be fully amortized in 2026 and other temporary differences may be carried forward indefinitely.

Tax losses carried forward

As at November 30, 2024 and 2023, the Company had the following tax losses available:

	November 30, 2024	**Expiry dates**	November 30, 2023	Expiry dates
	$		$	
Share issue costs	**221,615**	**2023-2028**	429,292	2023-2028
Non-capital losses	**17,163,487**	**2026-2043**	14,406,280	2026-2043
Capital losses	**5,439,490**	**N/A**	5,439,490	N/A

17. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. As the Company has begun commercial operations, management will closely monitor its capital structure and adjusts according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management 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's capital management objectives, policies and processes have remained unchanged in the current financial reporting period.

The Company is not subject to any externally imposed capital requirements.

18. Risk Management

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, and accounts receivable (excluding sales tax recoverable), which expose the Company to credit risk should the borrower default on maturity of the instruments.

(Expressed in Canadian Dollars)

18. Risk Management (continued)

Cash and cash equivalents are held at reputable Canadian and U.S. chartered banks and in trust with the Company's legal counsel, which is closely monitored by management. Management believes that the credit risk concentration with respect to cash and cash equivalents is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables balance. The Company believes it has no significant short-or-long-term credit risk with respect to accounts receivable. Trade receivable has been regularly collected, while sales tax and income tax receivable are due from the government. The Company anticipates full recovery of these amounts, and therefore has not recorded any ECL against these receivables, which are due in less than one year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

As at November 30, 2024, the Company had a cash and cash equivalents balance of $6,357,977 (November 30, 2023 – $6,128,333) to settle current liabilities of $449,329 (November 30, 2023 – $303,564), and had the following contractual undiscounted obligations:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	$	$	$
Accounts payable and accrued liabilities	449,329	449,329	-	-

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities as they come due. The Company has undertaken several proposed restructuring initiatives and other corporate measures to rationalize its capital and debt structure to better position the Company for future opportunities and meet its obligations as they come due. Until these initiatives and efforts are finalized, there is no assurance that one or any of these initiatives will be successful.

Management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash and cash equivalents position as at November 30, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2024, the Company had no financial instruments which are interest-bearing, and had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in Canada and the U.S., and will have, from time to time, transactions denominated in foreign currencies, primarily in USD. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk remains minimal but will continue to monitor the movement of foreign exchange between CAD and USD.

A 10% increase/(decrease) in the exchange rate would (decrease) /increase net loss by ($21,313) /19,375 for the year ended November 31, 2024.

(Expressed in Canadian Dollars)

18. Risk Management (continued)

Fair value

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.

As at November 30, 2024, the Company's financial instruments consisted of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, accounts receivable (excluding sales tax recoverable) and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – 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).

As at November 30, 2024, the Company did not have any financial instruments which were carried at fair value (November 30, 2023 – $nil).

19. Revenues

The Company's revenues for the years ended November 30, 2024 and 2023 were comprised of the following:

	November 30, 2024	November 30, 2023
	$	$
Mushroom-derived products	**618,493**	316,466
Apparels and accessories	**4,663**	4,630
	623,156	321,096

20. Contingencies and Commitments

The Company's operations are subject to a variety of provincial, state and federal regulations in Canada and the U.S. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations in that specific state or local jurisdiction.

While management believes that the Company is in compliance with applicable local and state regulations as at November 30, 2024, regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

21. Other Income

During the year ended November 30, 2023, the Company disposed of three non-core legacy properties located in the Red Lake District in northwestern Ontario, Canada, for total gross proceeds of $33,900. A gain on disposals of $29,484, net of commissions and other selling costs of $4,416, was included in other income on the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

22. Segment Information

The Company's results are reported by geographical business units that operate in different countries. The Company has identified its operating segment based on the financial information that is reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or "CODM") in assessing performance and in determining the allocation of resources. These segments reflect how the Company manages its business and how management classifies operations for planning and measuring performance.

The CODM considered as one operating segment Psyched Wellness Ltd. and Psyched Corp. (both reside in Canada), and AME Wellness as one operating segment (resides in the United States).

The following tables present financial information by segment for the years ended November 30, 2024 and 2023:

Revenue for the year ended	**November 30, 2024**	November 30, 2023
	$	$
Canada	**-**	-
USA	**623,156**	321,096
	623,156	321,096

Comprehensive loss for the year ended	**November 30, 2024**	November 30, 2023
	$	$
Canada	**(2,405,313)**	(2,864,910)
USA	**(1,903,919)**	(571,203)
	(4,309,232)	(3,436,113)

Total assets at	**November 30, 2024**	November 30, 2023
	$	$
Canada	**269,018**	905,799
USA	**7,617,595**	6,432,526
	7,886,613	7,338,325

Total liabilities at	**November 30, 2024**	November 30, 2023
	$	$
Canada	**348,365**	231,656
USA	**100,964**	71,908
	449,329	303,564

22. Subsequent events

On February 5, 2025, the Company issued 750,000 common shares as a result of the exercise of RSUs.