Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") is current to March 3, 2025 and should be read in conjunction with Britannia Life Sciences Inc.'s ("BLS" or the "Company") condensed interim consolidated financial statements for the periods ended December 31, 2024 and December 31, 2023 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the condensed interim consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

The condensed interim consolidated financial statements can be found at www.sedarplus.ca and www.britannia.life. The Company's registered head office 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE).

The condensed interim consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. dba Cultivate Kind, Life Bloom Organics, LLC, Cosmetics Labs Limited ("CosLab") and Advanced Development and Safety Laboratories Ltd. ("ADSL") of which Company owns 72% (the "Group"). BBCL, ADSL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
BBCH	Ontario, Canada	100%
BBCL	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
Rise Life Science (Colorado), LLC	Colorado, United States	100%
Brand Max	California, United States	100%
Life Bloom	Delaware, United States	100%
ADSL	United Kingdom	72%
CosLab	United Kingdom	100%

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing, or the availability of financing on reasonable terms;
- general business and economic conditions;
- regulatory developments;
- interest rates and foreign exchange rates;
- the Company's costs;
- the regulatory environment in which the Company operates;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar, Canadian-UK pound sterling and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise unless required by law.

Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or the "Company") (together with its subsidiaries, the "Group") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of BLS's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. BLS's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE). The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

Going concern

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2024, the Company had an accumulated deficit of $19,433,456 (December 31, 2023 - $11,454,334 deficit), cash of $990,366 (December 31, 2023: $1,716,092) and working capital deficiency of $9,310,228 (December 31, 2023 - $(2,562,435)). The Company also has a purchase commitment to acquire the remaining shares of Advanced Development and Safety Laboratories Ltd. ("ADSL") of $10,885,941 (see note 6(a)).

These condensed interim consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore were required to realize its assets and liabilities and commitments in the normal course of business operations and at amounts different from those in the accompanying consolidated financial statements.

Operational Highlights and Business Development

ADSL Acquisition and Put Liability

BBCH entered into a share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of each of the Class A and Class B ordinary shares of Advanced Development and Safety Laboratories ("ADSL") from the shareholders of ADSL (the "Sellers"). Completion arrangements in relation to this agreement were made on February 9, 2021 (the "Completion Date").

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Completion Date, the Company has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date the Company has not acquired all the ADSL shares, the Sellers have the right to require the Company to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for ADSL.

At the close of the ADSL Acquisition, the value of the Put Liability was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the put liability was remeasured to $4,495,033 (GBP 2,738,035), generating a loss on the change in fair value of the put liability for the year ended March 31, 2022 of $2,059,933.

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL (the "Subsequent ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Subsequent ADSL Acquisition (CAD: $2,982,066).

The Put Liability was reduced accordingly, and an adjustment was made to non-controlling interest to reflect the change in ownership after the Second ADSL Acquisition and on March 31, 2023.

	$
Cash payment to minority shareholders	2,982,066
Reduction in Put Liability	(1,120,594)
Reduction in non-controlling interest	(1,032,625)
Equity adjustment	828,847

On November 22, 2023, BBCH acquired an additional 2% of the outstanding issued share capital of ADSL (the "Third ADSL Acquisition"). A cash payment of GBP 545,023 was paid as consideration for the Third ADSL Acquisition (CAD: $938,735).

The Put Liability was reduced accordingly, and an adjustment was made to non-controlling interest to reflect the change in ownership post transaction.

	$
Cash payment to minority shareholders	938,735
Reduction in put liability	(15,745)
Reduction in non-controlling interest	(269,245)
Equity adjustment	653,745

On February 9, 2024, as BBCH had not yet acquired the remaining ADSL shares, the put option right became enforceable. On March 18, 2024, the ADSL Sellers informed BBCH of their intention to exercise their put right. BBCH has consequently reduced the put liability on the balance sheet to nil, generating a gain on fair value of the put liability for the year ended March 31, 2024, of $1,403,966. The Company has determined that a purchase commitment in the amount of $10,885,941 (GBP: £6,038,017) exists at December 31, 2024 (March 31, 2024: $10,333,463). As per the terms of the share purchase agreement dated March 10, 2020, the ADSL Sellers and the Company, the Company has ninety days to satisfy its obligations under the put option right however the ADSL Sellers have agreed to allow the Company an extension to the ninety-day completion deadline. The Company is pursuing various options to finance the acquisition of the remaining shares of ADSL.

Onerous Contract

The Company has recognized an onerous contract liability in relation to the contract to acquire the remaining ADSL shares. The Company has determined that the contract price exceeds the fair value of the shares to be purchased at the year ended March 31, 2024 and the period ended December 31, 2024. The purchase commitment liability is presented on the condensed interim consolidated statements of financial position at December 31, 2024 in the amount of $5,556,403 (GBP: 3,081,925).

ADSL Sale Transaction

On January 9, 2025 the Company announced the sale of ADSL to a UK-based acquiror for a total enterprise value of up to £24.2 million (CAD$43.6 million) (the "Transaction"). The total consideration to be received under the Transaction is up to £24.2 million (CAD$43.6 million), with £18.7 million (CAD$33.7 million) to be received on closing and up to £5.5 million (CAD$9.9 million) in contingent consideration (the "Contingent Consideration"). The Contingent Consideration consists of additional future payments of up to £2.85 million (CAD$5.1 million) and £2.65 million (CAD$4.8 million) to be received subject to ADSL achieving certain EBITDA targets in the twelve-month periods ending March 31, 2025, and December 31, 2025, respectively.

In order to affect the sale of 100% of ADSL, Britannia will, immediately prior to the Transaction, acquire the 28% minority interest in ADSL that it does not currently own for approximately £8.1 million (CAD$14.5 million) (the "Consolidating Acquisition"). The amount paid by Britannia pursuant to the Consolidating Acquisition includes £6.1 million (CAD$10.9 million) for the acquisition of the minority shares and £2 million (CAD$3.6 million) in intercompany loan settlements, subject to final adjustments, and will be funded from the proceeds of the Transaction. The Consolidating Acquisition will result in Britannia holding 100% ownership of ADSL at the time of the Transaction.

Proceeds from the Transaction, net of the amounts required to complete the Consolidating Transaction, will be utilized to eliminate Britannia's existing debt of approximately £3.0 million, (CAD$5.5 million) leaving the Company with a strong balance sheet and significant cash-on-hand.

Britannia Mining Solutions Inc.

On February 18, 2022, the Company incorporated BMS, a company domiciled and incorporated in Canada under the laws of the Province of Ontario, as a new subsidiary to address the global backlog in mining assays. In establishing the business, BMS issued 500,000 BMS common shares at $0.001 per BMS common share to the Company. On March 4, 2022, BMS completed a non-brokered private placement of 500,000 of its common shares at $1.00 per common share for gross proceeds of $500,000 after which the Company owned 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. . During the year ended March 31, 2023 BMS issued 309,000 BMS common shares at $10.00 per share and during the year ended March 31, 2024, BMS issued 264,640 BMS common shares at $10.00 per share after which the Company owns 32% of the outstanding share capital of BMS. During the period ended December 31, 2024, BMS issued 16,000 common shares at $10.00 per share and 101,010 common shares at $12.75 per share after which the Company owns 30% of the outstanding capital of BMS. The Chief Executive Officer of the Company is both the Chief Executive Officer and sole director of BMS. The BMS by-laws state that both the officers and the directors of BMS are elected by the shareholders, accordingly the investment does not meet the definition of control for the purpose of consolidation. For the nine-month period ended December 31, 2024, the Company’s investment in BMS is nil.

The continuity of the investment in BMS is as follows:

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Balance as at March 31, 2023	**1,269,809**
Gain on dilution after equity issuances	465,811
Elimination of associate's management fee	(77,782)
Share of loss of BMS	(926,635)
Balance as at March 31, 2024	**731,204**
Gain on dilution after equity issuances	317,977
Elimination of associate's management fee	(56,648)
Share of loss of BMS	(992,533)
Balance as at December 31, 2024	**-**

Acquisition of Cosmetics Lab Limited ("CosLab")
On June 6, 2023 the Company acquired a 51% interest in CosLab, a Southern England-based manufacturer of cosmetic products. A cash payment of GBP 100,000 was paid as consideration for the shares (CAD: $168,750). On February 20 2024, the Company acquired the remaining 49% interest in CosLab from the minority shareholder for GBP £1.

The acquisition has been accounted for using the acquisition method with the results of the operations of CosLab being included in the consolidated financial statements from the date of acquisition.

At March 31, 2024 the Group performed its annual impairment test of goodwill and determined that the interest in CosLab was impaired. An impairment charge has been recorded in the year ended March 31, 2024.

GLL Loan Payable
On April 7, 2022, the Company completed a debt financing arrangement with Growth Lending 2021 Limited ("GLL") that was used to repay the Sellers' loan in full and acquire an additional 10% of ADSL's share capital (see Note 6(a)). The total loan principal value is $8,222,500 (GBP 5,000,000) with a termination date of April 6, 2027. The Company incurred loan related fees of $281,158 and a non-cash fee of $38,500. The net proceeds of the loan are being accreted to the amount payable on maturity over the term. As security the Company pledged the share capital it holds in ADSL and a debenture has been issued between GLL and each of BBCL and ADSL. Interest is payable monthly in advance from inception of the loan and is calculated monthly based on the capital outstanding at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average). Principal repayments began in April 2023 with equal monthly instalments of principal and interest from then until April 2027. In the three- and nine-month period ended December 31, 2024, the Company made $528,792 (GBP: 299,820) and $1,549,577 (GBP: 878,594) of principal payments in relation to the GLL loan respectively (2023: $460,974 and $1,350,844 (GBP: 272,750 and 799,269)).

Discussion of Operations

The Company's condensed interim consolidated financial statements have been prepared on a going concern basis inaccordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the three- and nine-month period ended December 31, 2024, the Company realized income (loss) from operations of ($374,983) and ($112,256) respectively (December 31, 2023: ($228,048) and $152,995) and had positive cash flows from operations of $795,427 (December 31, 2023: $1,772,552). The adverse income from operations variance to prior year is mainly related to the Company's acquisition of CosLab as it continues to operate at a loss in the three and nine-month period ended December 31, 2024. The Company had a net loss before tax in the nine-month period ended December 31, 2024, of $1,651,796 (December 31, 2023: $1,506,111). The variances impacting on net income before tax are mainly because of gains on dilution of the Company's investment in Britannia Mining Solutions Inc. and its share of losses in that investment which have increased to $992,533 in the current period (December 31, 2023: $187,603 loss).

The Company had investing outflows of $283,035 (December 31, 2023: $1,263,660) related to additional technology investments at ADSL. The Company had financing outflows of $901,327 (December 31, 2023: $1,410,948) as a result of principal repayments made on the GLL loan which commenced in April 2023. Working capital as at December 31, 2024 was ($9,310,228) (December

31, 2023: ($2,562,435)). The adverse variance is mainly due to the purchase commitment liability in relation to the contract to acquire the remaining outstanding share capital of ADSL.

Financial Information

Revenue

Revenue is mainly generated by the Company's operating subsidiary, ADSL. For the nine -month period ended December 31, 2024, ADSL contributed $5,168,851 (December 31, 2023: $5,458,520) to the total revenues from sales and services. ADSL contributed net income from operations of $1,348,994 (December 31, 2023: $1,647,258) to the condensed interim consolidated income from operating activities. The variance from the prior year is mainly the result of finance costs related to the GLL loan incurred by ADSL in the period ended December 31, 2024 and general inflationary pressures and investments in capability at ADSL. For the period ended December 31, 2024, Cosmetics Labs Limited contributed $199,036 to the total revenues from sales and services (December 31, 2023: $231,519) and a loss from operations of $292,856 (December 31, 2023: $479,824).

Cost of Goods Sold and Gross Margin

Cost of goods sold is comprised of the direct consumables required for the formulation and testing of products as well as associated labour costs, and expenses related to manufacturing and consumer trials. Gross profit for the three and nine-month period ended December 31, 2024, was $1,012,650 and $3,521,925 compared to $1,207,019 and $4,159,527 for the comparative period. Gross profit margin was 65% versus 71% in the prior year. The adverse variance is mainly due to negative gross profit margins at CosLab and general increases in consumable and staffing costs at ADSL.

Selling, general and administrative expenses for the three and nine-month period ended December 31, 2024 were consistent with the prior period at $1,183,687 and $2,960,654 for the period compared to $1,130,863 and $2,974,927 for the comparative period.

Finance expense for the nine -month period ended December 31, 2024 was $673,526 compared to $805,103 for the prior period. Finance expenses are related to the interest cost on the GLL loan and interest costs on the Company's lease liabilities.

Other Income and Expense

Other Income and Expense for the three and nine-month period ended December 31, 2024 was $341,285 and ($1,539,540) (December 31, 2023: $606,760 and $1,353,116). Other income and expense consist of a gain on dilution of the Company's equity investment in Britannia Mining Solutions Inc. and its share of losses in Britannia Mining Solutions Inc., as well as the revaluation of the Company's loans and foreign exchange and are unrealized. The Company experienced a foreign exchange loss of $690,040 for the nine-month period ended December 31, 2024, compared to a $210,001 loss in the prior period.

Selected financial information, presented under IFRS in the table below:

	For the nine months ended December 31, 2024	**For the nine months ended December 31, 2023**
	$	**$**
Revenue	**5,459,735**	5,838,287
Gross margin	**3,521,924**	4,159,527
Income from operations	**(112,256)**	152,995
Net comprehensive income (loss)	**(884,675)**	1,333,623
Basic and diluted earnings (loss) per share	**(0.01)**	0.01

	For the three months ended December 31, 2024	**For the three months ended December 31, 2023**
	$	**$**
Revenue	**1,738,051**	1,810,889
Gross margin	**1,012,650**	1,207,019
Income from operations	**(374,983)**	(228,048)
Net comprehensive income (loss)	**(381,573)**	498,704
Basic and diluted earnings (loss) per share	**0.00**	0.00

Off Balance Sheet Arrangements

As at December 31, 2024 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company.

Related Party Transactions

Key management personnel compensation
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Salaries, fees and short term benefits	**208,647**	294,238	**700,492**	591,478
Share based compensation	**-**	43,096	**-**	226,502
	208,647	337,334	**700,492**	817,980

As at December 31, 2024, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $1,472,352 (December 31, 2023: $545,983).

Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	December 31, 2024	**March 31, 2024**
	$	$
FVTPL, measured at fair value:		
Cash	**990,366**	1,322,584
Financial assets, measured at amortized cost:		
Accounts receivable	**1,139,662**	1,208,975
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**3,517,985**	3,000,157
GLL loan payable	**5,495,834**	6,614,552
Purchase commitment provision	**5,556,403**	5,274,407
Lease liability	**344,742**	410,152
Loan to equity investment	**198,575**	-
Other debt	**104,208**	115,681
Director’s loan	**28,479**	147,034

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The carrying value of the Company’s financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	990,366	-	-	990,366
As at December 31, 2024	**990,366**	**-**	-	**990,366**

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	1,716,092	-	-	1,716,092
As at December 31, 2023	**1,716,092**	**-**	-	**1,716,092**

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by board of directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the three and nine -month period ended December 31, 2024. Further there was no transfer out of level 3 measurements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

The following table summarizes the maturities of the Company’s non-derivative financial liabilities and contingent financial liabilities as at December 31, 2024 and March 31, 2024 based on undiscounted contractual cash flows:

	Payment due by period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 3,637,808	$ -	$ -	$ 3,637,808
Lease liability	164,129	245,940	82,829	492,898
GLL loan	2,330,949	3,155,020	-	5,485,969
Director’s loan	28,479	-	-	28,479
Other debt	104,208	-	-	104,208
Purchase commitment (Note 6(a))	10,885,941	-	-	10,885,941
December 31, 2024	**$ 17,151,514**	**$ 3,400,960**	**$ 82,289**	**$ 20,635,303**

	Payment due by period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 3,029,482	$ -	$ -	$ 3,029,482
Lease liability	168,623	266,304	115,412	550,339
GLL loan	1,993,213	4,717,961	-	6,711,174
Director’s loan	147,034	-	-	147,034
Other debt	103,451	12,230	-	115,681
Contingent Liability	10,333,463	-	-	10,333,463
March 31, 2024	**$ 15,775,266**	**$ 4,996,495**	**$ 115,412**	**$ 20,887,173**

Currency risk

The Group is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Group has not entered into any foreign currency contracts to mitigate this risk. As at December 31, 2024, the Group had no financial instruments denominated in foreign currencies.

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. The Company is exposed to cash flow risk with respect the GLL loan payable, which bear interest payment at the higher of 9.5% per annum and 8.5% per annum plus SONIA (Sterling Over Night Indexed Average).

Capital Disclosures

The Company’s objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed it operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

Debenture Units

During the period ended December 31, 2024, the Company raised an aggregate of $932,000 through the issuance of 932 debentures units (each a " Debenture Unit"). Each Debenture Unit consists of a CAD$1,000 principal amount of 10% unsecured debentures of the Company and 16,666 common share purchase warrants ("Warrants"). Each Warrant is exercisable to acquire one common share of the Company at a price of CAD $0.06 for a period of 24 months from the date of issue. The financing was completed on July 22, 2024.

The Debenture Units bear interest at 10% per annum with interest payable annually one year from the closing date (the "Initial Maturity Date"). At the Company's option, the maturity of the Debenture Units can be extended for one year beyond the initial maturity date (the "Extended Maturity Date") with the interest rate of the Debenture Units for the period starting the day beyond the Initial Maturity Date until the Extended Maturity Date increasing to 12% per annum.

	December 31, 2024
	$
Issuance of Debenture Units	**932,000**
Warrant reserve (equity portion of Debenture Units)	**(49,514)**
Accretion expense	**52,441**
Debenture Units	**934,927**

For accounting purposes the fair value of the liability component at the time of issue was calculated as the discounted cash flows assuming an effective rate of 13.1%, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the Debenture Units and the fair value of the liability component.

For the three and nine month period ended December 31, 2024 there was accrued interest on the Debenture Units of $23,492 and $41,365 respectively (2023: - $nil).

Share Capital

Authorized
The Company has an unlimited number of authorized voting common shares (the "Common Shares").

Issued
The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	$	$	$
As at December 31, 2024	**162,254,339**	**17,121,061**	**(13,714)**	**17,107,347**

There are nil common shares are held in escrow at December 31, 2024 (December 31, 2023: 18,734,158).

Options

The Company has a stock option plan with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time. The options under this plan expired unexercised on November 12, 2023. No stock options have been granted in the three and nine-month period ended December 31, 2024.

Risk Factors

Risks Relating to the Company's Common Shares

The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, may adversely affect the market price of the Company's common shares.

The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Regulatory Compliance

In the normal course of operations, the Company is subject to various regulations, and violation of these could limit markets into which it can sell or lead to unknown liabilities. The Company considers itself well prepared and operates under caution to ensure the highest levels of safety and compliance exist.

Responsible Person

A Responsible Person is a legal or natural person who ensures the compliance of each cosmetic product in the EU market with relevant obligations as set forth in Regulation EC No 1223/2009. The Responsible Person is in charge of ensuring that cosmetic products marketed in the European Union comply with this Regulation. The Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if products for which it has acted as Responsible Person are alleged to have caused significant loss or injury. A claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on results of operations and financial condition of the Company.

Legal Matters

In the normal course of operations, the Company may be subject to a variety of legal proceedings, including commercial, product liability, employment, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, and can cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations, or financial condition.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. the Company will periodically review and manage its systems, processes and processes through introduction of necessary Enterprise Resource Planning solutions, as well as Human resource functions, however there can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss ofthe Company's key employees or key employees of the acquired companies or businesses. The Company's management has experience in making acquisitions and entering collaborations; however, the Company cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business. In addition, the Company's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Success of Quality Control Systems

The accuracy, quality, and safety of the Company’s products and services are critical to the success of its business and operations. As such, it is imperative that the Company's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strives to ensure that all its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

Consumer/Clinical Trial Results and Adverse Safety Events

From time to time, studies and consumer or clinical evaluations on various products including CBD may be conducted by the Company, academic researchers, competitors, or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to CBD could adversely affect the Company and its clients by impacting the marketability of products, share price and ability to finance future operations.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. The Company endeavors to maintain General Data Protection Regulation (GDPR) compliance in its data collection, however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

People and Process Risk

A variety of factors may affect the Company’s future growth and operating results, including the strength and demand for the Company’s services, the extent of competition in our markets, the ability to recruit and retain qualified personnel, and the ability to address consumer demand. The Company relies on certain key employees whose skills and knowledge are critical to maintaining the Company’s success. The Company always strives to identify and retain key employees and always strives to be competitive with compensation and working conditions.