NEVIS BRANDS INC.
Consolidated Financial Statements
For the Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Nevis Brands Inc.

Opinion

We have audited the consolidated financial statements of Nevis Brands Inc. (the "Company"), which comprise the consolidated statement of financial position as at November 30, 2024, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows, and consolidated statement of changes in shareholders' equity and notes to consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that during the year ended November 30, 2024, the Company incurred a net loss of $362,481 and has an accumulated deficit of $14,384,492 as at November 30, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist 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

The key audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of key audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the key audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition
We draw attention to Notes 3(n) to the consolidated financial statements. The Company recorded revenue of $1,550,030 from its licensing revenue stream for the year ended November 30, 2024. The recognition of revenue for these streams involves complex judgments, including the timing of revenue recognition, allocation of transaction prices to performance obligations, and the determination of whether the criteria for revenue recognition have been met. Given the significance of revenue to the financial statements and the level of judgment involved, revenue recognition was considered a key audit matter.

Our audit procedures included, but were not limited to, the following:

- Gaining an understanding of the revenue recognition processes and controls in place for the royalty stream;
- Evaluating the Company's accounting policies relating to revenue recognition and assessed their compliance with the requirements of IFRS 15 *Revenue from Contracts with Customers*;
- Sending direct confirmations to a sample of customers to confirm the amounts of sales, terms of the transactions, and any outstanding balances as of the year-end;
- Performing walkthroughs of the revenue recognition process, tracing a transaction from initiation to financial statement recording;
- Conducting detailed cut-off testing to ensure that revenue was recognized in the appropriate accounting period, and
- Assessing the adequacy of the disclosures in the financial statements relating to revenue recognition, including the nature of the revenue streams, significant judgments made by management, and the relevant accounting policies.

Based on our procedures, we found that the Company's revenue recognition practices for the year ended November 30, 2024, were in accordance with IFRS 15 and appropriately reflected in the financial statements.

Goodwill and Intangible Assets Impairment
As of November 30, 2024, the Company holds two significant intangible assets: customer relationships with a 5-year amortization period and a trademark with a 10-year amortization period. These assets represent a substantial portion of the Company's total assets.

The impairment assessment for intangible assets involves significant management judgment, including the consideration of impairment indicators and the estimation of future cash flows, discount rates, and growth rates. Given the complexity and potential impact on the financial statements, we identified this as a key audit matter. Please refer to Notes 4 and 7 of the consolidated financial statements for the Company's accounting policy, significant judgments and estimates applied, and details regarding intangible assets.

Our audit procedures included, but were not limited to, the following:

- Obtaining an understanding of the Company's process for identifying indicators of impairment for intangible assets;
- Reviewing the Company's impairment testing methodology for the intangible assets, focusing on the appropriateness of the model used, and evaluated whether it was in compliance with the requirements of IAS 36 *Impairment of Assets*;

- Reconciling the carrying amounts of intangible assets to the underlying accounting records and supporting documentation;
- Ensuring that the disclosures met the requirements of IAS 36 and provided clear information to users of the financial statements regarding the risks and judgments involved in the impairment assessments.

Based on our audit procedures, we found that management's impairment assessments of intangible assets were reasonable and consistent with IAS 36.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Other Matter

The financial statements of the Company for the year ended November 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on March 20, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

/s/ Reliant CPA

Chartered Professional Accountants
Licensed Public Accountants
Vancouver, BC
March 27, 2025

Nevis Brands Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	**November 30, 2024**	**November 30, 2023**
ASSETS		**$**	**$**
Current			
Cash		129,544	418,524
Prepaid expenses and deposits		4,343	8,015
Receivables		155,509	206,839
Inventory	5	331,353	248,269
Total current assets		620,749	881,647
Equipment, net	6	22,377	19,820
Intangibles, net	7	1,395,860	1,593,957
Total assets		2,038,986	2,495,424
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	285,201	336,092
Due to related parties	12	112,253	99,707
Promissory note	8, 13, 17	175,125	683,273
Total current liabilities		572,579	1,119,072
Promissory note	8, 13, 17	240,923	-
Total liabilities		813,502	1,119,072
SHAREHOLDERS' EQUITY			
Share capital	9	15,094,443	14,921,723
Contributed surplus	9	411,571	822,805
Deficit		(14,384,492)	(14,417,087)
Accumulated other comprehensive income		103,962	48,911
Total shareholders' equity		1,225,484	1,376,352
Total liabilities and shareholders' equity		2,038,986	2,495,424

Approved on behalf of the Board:

"John Kueber" — Director

"John Bell" — Director

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

Nevis Brands Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended November 30
(Expressed in Canadian Dollars)

	Notes	2024	2023
		$	$
Revenue	15	1,550,030	671,545
Cost of goods sold		(473,572)	(278,604)
Gross profit		1,076,458	392,941
Expenses			
Accounting and audit fees		171,308	137,939
Administrative and general office		170,166	89,361
Equipment depreciation		9,761	7,165
Intangible assets amortization		241,662	99,771
Bank charges and interest		9,649	4,654
Consulting fees		-	18,575
Salaries and benefits	12	366,637	225,522
Foreign exchange loss		4,382	1,148
Insurance		2,655	6,891
Transfer agent, listing, and filing fees		25,814	58,539
Investor relations and marketing		190,439	127,995
Legal fees		40,229	59,762
Share-based payments	9, 12	29,026	406,619
Travel and entertainment		34,879	17,128
Total expenses		1,296,607	1,261,069
Loss from operations		(220,149)	(868,128)
Other income and expenses			
Research and development		-	(35,374)
Impairment of inventory		(48,935)	-
Bad debt expense		(40,061)	-
Interest expense	8, 13, 17	(53,336)	(21,273)
Gain on debt settlement	9 (b)	-	517,747
Gain on sale of equipment		-	7,256
Net loss for the year		(362,481)	(399,772)
Other comprehensive income			
Current translation adjustment		55,051	48,911
Total comprehensive loss for the year		(307,430)	(350,861)
Loss per share – basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted[1]		38,327,099	23,528,379

[1]Post 5:1 share consolidation

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

Nevis Brands Inc.
Consolidated Statements of Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares[1]	**Amount**	**Contributed Surplus**	**Other Comprehensive Income**	**Deficit**	**Total Shareholders' Equity (Deficiency)**
		$	$	$	$	$
Balance, November 30, 2022	13,118,955	13,052,100	424,152	-	(14,420,357)	(944,105)
Shares issued for cash	20,000,000	1,604,924	395,076	-	-	2,000,000
Share issuance costs	-	(111,904)	-	-	-	(111,904)
Shares issued for acquisition of THC Essentials assets	3,775,000	283,125	-	-	-	283,125
Shares issued for debt	1,246,372	93,478	-	-	-	93,478
Share-based payments	-	-	406,619	-	-	406,619
Fair value transfer on expiry of options	-	-	(393,542)	-	393,542	-
Fair value transfer on expiry of warrants	-	-	(9,500)	-	9,500	-
Net loss for the year	-	-	-	48,911	(399,772)	(350,861)
Balance, November 30, 2023	38,140,327	14,921,723	822,805	48,911	(14,417,087)	1,376,352
Shares issued for cash	1,272,400	114,516	-	-	-	114,516
Share issuance costs	-	(11,980)	-	-	-	(11,980)
Shares issued for exercise of options	250,000	70,184	(45,184)	-	-	25,000
Share-based payments	-	-	29,026	-	-	29,026
Fair value transfer on expiry of warrants	-	-	(395,076)	-	395,076	-
Net loss for the year	-	-	-	55,051	(362,481)	(307,430)
Balance, November 30, 2024	**39,662,727**	**15,094,443**	**411,571**	**103,962**	**(14,384,492)**	**1,225,484**

[1]Post 5:1 share consolidation

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

Nevis Brands Inc.
Consolidated Statements of Cash Flows
For the years ended November 30
(Expressed in Canadian Dollars)

	2024	2023
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(362,481)	(399,772)
Items not involving cash:		
Equipment depreciation	9,761	7,165
Intangible assets amortization	241,662	99,771
Share-based payments	29,026	406,619
Gain on debt settlement	-	(517,747)
Gain on sale of equipment	-	(7,256)
Interest expense	40,506	21,273
Impairment of inventory	48,935	-
Bad debt expense	40,061	-
Changes in non-cash working capital:		
Prepaid expenses	3,672	(4,770)
Receivables	11,269	(199,631)
Purchase of inventory	(132,019)	-
Accounts payable and accrued liabilities	(50,891)	209,006
Net cash used in operating activities	(120,499)	(385,342)
Investing activities:		
Proceeds from sale of equipment	-	7,256
Purchase of equipment	(11,562)	(5,143)
Acquisition of THC Essentials assets	-	(949,820)
Net cash used in investing activities	(11,562)	(947,707)
Financing activities:		
Proceeds on exercise of options	25,000	-
Proceeds from (repayment of) amounts due to related parties	12,546	(124,910)
Shares issued for cash	114,516	2,000,000
Share issuance costs	(11,980)	(111,904)
Repayment of promissory note	(307,731)	-
Net cash provided by (used in) financing activities	(167,649)	1,763,186
Net change in cash	(299,710)	430,137
Effect of exchange rate changes on cash	10,730	(19,983)
Cash, beginning of year	418,524	8,370
Cash, end of year	129,544	418,524

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevis Brands Inc. (the "Company" or "Nevis") was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Nevis Brands, Inc. USA (formerly Pascal Biosciences US, Inc.) ("Nevis (US)"). On June 12, 2023, the Company changed its name from Pascal Biosciences Inc. to Nevis Brands Inc. (Note 4). On July 6, 2023, the Company de-listed from the TSX Venture Exchange and listed on the Canadian Securities Exchange ("CSE" or "Exchange") upon receiving approval under the trading symbol "NEVI". On August 14, 2023, the Company became listed on the Frankfurt Stock Exchange under the trading symbol "8DZ". On February 15, 2024, the Company became listed on the OTCQB under the trading symbol "NEVIF".

The Company's head office is 1900 Airport Way S, Suite 201, Seattle, WA 98134.

These consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2024, the Company has a working capital of $48,170 (2023: deficiency of $237,425), reported a net loss of $362,481 (2023: $399,772) and had an accumulated deficit of $14,384,492 (2023: $14,417,087). The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include equity financings and loans. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Realization values of the Company's assets may be substantially different from carrying values as shown in these consolidated financial statements, and accordingly, should the Company be unable to continue as a going concern, the adjustments could be material.

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), now known as IFRS Accounting Standards and International Accounting Standards, ("IAS") as issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issue by the Board of Directors on March 26, 2025.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are the same as those disclosed in Note 3.

(c) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar ("CAD"). The functional currency of Nevis (US) was the CAD; however, subsequent to the transaction with SōRSE (Note 4), the functional currency of Nevis (US) was determined to be the United States dollar ("USD"). The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than CAD are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period-end exchange rate while non-monetary assets and liabilities in foreign currencies are translated at historical rates. Revenues and expenses are translated at the average exchange rates approximating those in effect during the reporting period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's USD operations are translated into CAD at the exchange rate at the reporting date. The income and expenses are translated using average rate. Foreign currency differences that arise on translation for consolidation purposes are recognized in other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BAT and Nevis (US). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All significant intercompany transactions and balances have been eliminated upon consolidation.

(b) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(c) Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization. No development costs have been deferred to date.

(d) Share capital

Common shares issued by the Company are classified as shareholders' equity (deficiency). Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity (deficiency).

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

(e) Share-based payments

The Company accounts for share-based payments using a fair value-based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit.

(f) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

(g) Functional currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

i. Assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date; and
ii. Revenues and expenses, at average rate.

Gains and losses arising from this translation of foreign currency are recognized in other comprehensive income (loss) for the year.

(h) Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the consolidated statements of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Valuation of intangibles with respect to asset acquisition

  The fair value measurement of the intangibles acquired in the asset acquisition (Note 4) requires management to critically estimate the amount allocated to and useful life of the intangible assets, trademarks and customer lists, acquired. In addition, the assessment of whether or not the intangible assets are impaired.

- Share-based payments

  The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and changes in other subjective input assumptions that can materially affect the fair value estimate.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual research and development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- Functional currency

  The functional currency of the Company and its subsidiaries is the currency of their respective primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

- Asset acquisition

  The assessment of the Company's purchase of SōRSE on whether it was an asset acquisition or business combination in accordance with IFRS 3 *Business Combinations*. Substantially all of the assets acquired were concentrated into one asset class: intangible assets.

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise or issuance would have a dilutive effect on the earnings (loss) per share.

(j) Financial instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at FVTPL.

Financial assets measured at amortized costs
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's receivables are classified as amortized costs.

Financial assets measured at FVTOCI
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in other comprehensive income (loss). The Company does not have financial assets classified as FVTOCI.

Financial assets measured at FVTPL
A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss). The Company's cash is classified as FVTPL.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities; short-term loan payable is classified as financial liabilities subsequently measured at amortized cost.

(k) Inventory

Inventory consists of packaging materials, raw ingredients and finished goods. Raw ingredients held in inventory do not consist of any hemp or cannabis related materials. The Company measures inventory using the weighted average cost method and values inventory at the lower of cost and net realizable value, which is subsequently recorded as "cost of goods sold" on the statements of income (loss) and comprehensive income (loss) in the same period of the recognition of revenue associated with those inventory items.

(l) Equipment

The Company values equipment at cost, net of accumulated depreciation and any impairment losses, if applicable. The Company uses a five-year straight-line depreciation schedule for all equipment, unless a specific piece of equipment warrants a different useful life calculation.

Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

(m) Intangible assets

Intangible assets comprise customer relationships and trademarks, which were acquired during the year in the asset acquisition of THC Essentials, further described in Note 4 below.

The fair value of the customer relationship and trademarks assigned by the Company was based on management's best estimates. Management utilized the following methodology to estimate these values:

1. Management first estimated the consideration in the Purchase Agreement to be USD$1,162,750 using a combination of the cash to be delivered at closing, plus the cash to be delivered as part of the promissory note, plus an estimate of the value of the equity consideration, which was calculated using the approximate number of shares expected to be granted to SōRSE at closing, multiplied by the most recent public stock price of Nevis. The fair market value of the equity consideration was calculated based on 3,775,000 shares of Nevis stock multiplied by the $0.075 price per share on the date the transaction closed.

2. From this figure, management deducted the fair value of all the other assets acquired, listed in the Purchase Agreement and acquired by Nevis.

3. Management then recalculated the estimated fair value of the preexisting customer relationships, by taking the acquired customers' current year sales earned by Nevis, annualizing it, multiplying it by a ten-year estimated useful life, then discounted it using the Company's borrowing rate, to determine the estimated net present value cash flows.

4. The remaining amount of $956,422 was determined to be the value of trademarks acquired.

The Company's customer relationship and trademarks have a finite life and are being amortized using a five-year and a ten-year straight-line method, respectively. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(n) Revenue

Revenue consists of licensing fees and royalty fees. The Company recognizes revenue in accordance with IFRS 15 *Revenue from Contracts with Customers* and it is measured based on the consideration the Company expects to be entitled to in exchange for licensing its trademarks and other intellectual property, as well as for physical product packaging. The five steps to the revenue recognition approach are the following:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price based on the performance obligations; and

(Expressed in Canadian Dollars)

5. Recognize revenue based on the performance obligations.

Revenue comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of any discounts and applicable excise taxes. Revenue is recognized upon the satisfaction of the performance obligation. For the sale of product packaging, the Company satisfies its performance obligation and transfers control upon either the delivery of the packaging to the customer, or at the time that the customer consumes the packaging in the course of manufacturing finished goods at their location. For the licensing and royalty payments, the Company satisfies its performance obligation at the time that the customer utilizes the Company's licensed trademarks in the production and sale of finished goods. Payment is typically due within 30 days of the invoice date.

4. ACQUISITION OF THC ESSENTIALS ASSETS

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials, as amended March 31, 2023, April 2, 2023, April 26, 2023, May 29, 2023 and June 8, 2023. Closing must be on or before June 30, 2023 (the "Closing Date") and the Company's shares must be listed on the CSE (the "Listing Date").

The purchase price of $1,894,946 (USD$1,125,000) was paid as follows: (i) a secured promissory note of USD$500,000, bearing interest at 7.5% per annum due on July 31, 2024, (ii) an aggregate 3,775,000 post-consolidation shares, and (iii) USD$625,000 payable on the Closing Date.

On April 22, 2024, the promissory note maturity date was extended from July 31, 2024 to December 31, 2024. On July 16, 2024, the promissory note maturity date was extended to May 31, 2025 (Note 8). On January 15, 2025, the promissory note maturity date was extended to January 31, 2026 (Note 17).

The closing occurred on June 30, 2023, whereby a reorganization occurred. The reorganization included, inter alia, closing both a private placement of $2,000,000 and the acquisition of THC Essentials, issuing 1,246,372 shares for debt (Note 9), the appointment of a new Chief Executive Officer ("CEO"), a change of directors, a name change, a share consolidation on the basis of one new share for five old shares and listing on the CSE. The share consolidation occurred on June 12, 2023.

The acquisition of THC Essentials assets did not meet the definition of a business under IFRS 3 and has been accounted for as an asset acquisition in these consolidated financial statements. On the acquisition date, June 30, 2023, the Company has allocated the purchase price of the acquisition to the assets acquired as follows:

	$
Purchase price	
Cash payment	827,693
Common shares issued	283,125
Promissory note	662,000
Transaction costs	122,128
	1,894,946
Net assets acquired	
Inventory	222,159
Equipment	21,185
Intangible assets – Customer relationship	695,180
Intangible assets – Trademarks	956,422
Total	1,894,946

(Expressed in Canadian Dollars)

5. INVENTORY

	November 30, 2024	November 30, 2023
	$	$
Raw materials		
Ingredients	37,208	59,748
Packaging and supplies	187,056	167,837
Total raw materials	224,264	227,585
Finished goods	107,089	20,684
Total inventories	331,353	248,269

6. EQUIPMENT

	Computers	Furniture	Other Equipment	Total
	$	$	$	$
Cost:				
At November 30, 2022	**-**	**-**	**-**	**-**
Acquired on acquisition (Note 4)	-	-	21,185	21,185
Additions	3,155	1,988	-	5,143
At November 30, 2023	**3,155**	**1,988**	**21,185**	**26,328**
Additions	-	-	11,562	11,562
At November 30, 2024	**3,155**	**1,988**	**32,747**	**37,890**
Amortization:				
At November 30, 2022	**-**	**-**	**-**	**-**
Additions	216	169	6,780	7,165
Net exchange differences	(96)	(49)	(512)	(657)
At November 30, 2023	**120**	**120**	**6,268**	**6,508**
Additions	609	375	8,777	9,761
Net exchange differences	(79)	(48)	(629)	(756)
At November 30, 2024	**650**	**447**	**14,416**	**15,513**
Net book value:				
At November 30, 2023	**3,035**	**1,868**	**14,917**	**19,820**
At November 30, 2024	**2,505**	**1,541**	**18,331**	**22,377**

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

As part of the assets acquired from SōRSE (Note 4), "THC Essentials” represents multiple formulas, and registered multiple trademarks for branded consumer beverages, which incorporate cannabis as a key functional ingredient (the “Products”). However, the Company does not manufacture or distribute the Products; the Company has negotiated license and manufacturing agreements with multiple business partners in different states within the USA (each a “Manufacturing Partner”). The Company provides the branding collateral, trademark licenses, and formulas to these Manufacturing Partners who are responsible for the actual production and distribution of the Products. In return for licensing the trademarks and formulas to the Manufacturing Partners, each of them pays a royalty or licensing fee to the Company. These licensing fees are typically structured as either a set dollar amount per unit produced, or a percentage of the net sales of the Products at wholesale prices.

	Customer Relationship	Trademarks	Total
	$	$	$
Cost:			
At November 30, 2022	**-**	**-**	**-**
Acquired on acquisition (Note 4)	695,180	956,422	1,651,602
Net exchange differences	17,958	24,705	42,663
At November 30, 2023	**713,138**	**981,127**	**1,694,265**
Net exchange differences	22,472	30,918	53,390
At November 30, 2024	**735,610**	**1,012,045**	**1,747,655**
Amortization:			
At November 30, 2022	**-**	**-**	**-**
Additions	59,109	40,662	99,771
Net exchange differences	319	218	537
At November 30, 2023	**59,428**	**40,880**	**100,308**
Additions	143,174	98,488	241,662
Net exchange differences	5,820	4,005	9,825
At November 30, 2024	**208,422**	**143,373**	**351,795**
Net book value:			
At November 30, 2023	**653,710**	**940,247**	**1,593,957**
At November 30, 2024	**527,188**	**868,672**	**1,395,860**

The Company considered impairment, but no impairment was taken during the years ended November 30, 2024 and 2023.

The estimated aggregate amortization expense for each of the five succeeding fiscal years is as follows:

	2025	2026	2027	2028	2029	Total
	$	$	$	$	$	$
Customer relationship	147,122	147,122	147,122	85,822	-	527,188
Trademarks	101,204	101,204	101,204	101,204	101,204	506,020
	248,326	248,326	248,326	187,026	101,204	1,033,208

(Expressed in Canadian Dollars)

8. PROMISSORY NOTE

The Company entered into a secured promissory note with SōRSE of US$500,000, bearing interest at 7.5% per annum due on July 31, 2024. On April 22, 2024, the promissory note maturity date was extended from July 31, 2024 to December 31, 2024. On July 16, 2024, the promissory note maturity date was extended to May 31, 2025. On January 15, 2025, the promissory note maturity date was extended to January 31, 2026 (Note 17). During the year ended November 30, 2024, $307,731 (USD$225,000) of principal on the promissory note was repaid. Subsequent to November 30, 2024, a further $175,125 (USD$125,000) of principal on the promissory note was repaid.

	November 30, 2024	**November 30, 2023**
	$	**$**
Opening balance	683,273	-
Additions (Note 4)	-	662,000
Principle repayments	(307,731)	-
Interest accrued	40,506	21,273
Closing balance	**416,048**	**683,273**
Less: non-current portion	(240,923)	-
	175,125	683,273

During the year ended November 30, 2024, the Company recognized interest expense of $40,506 (2023: $21,273).

9. SHARE CAPITAL

(a) Authorized

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

Effective June 12, 2023, the Company consolidated its issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the consolidation.

(b) Common shares

Year ended November 30, 2024

On May 23, 2024, the Company issued 250,000 common shares pursuant to an option exercise.

On November 15, 2024, the Company issued 1,272,400 common shares at a price of $0.09 per common share for gross proceeds of $114,516. The Company incurred cash share issuance costs of $11,980.

Year ended November 30, 2023

On June 30, 2023, the Company issued 1,246,372 common shares to settle debt of $593,049. The shares were valued at $93,478, which resulted in a gain on debt settlement of $509,564 and a foreign exchange gain on debt settlement of $8,183.

(Expressed in Canadian Dollars)

On June 30, 2023, the Company issued 3,775,000 common shares pursuant to the acquisition of THC Essentials assets (Note 4).

On June 30, 2023, the Company issued 15,195,000 units at a price of $0.10 per unit for gross proceeds of $1,519,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company allocated $379,875 of the gross proceeds to warrant reserve using the residual value method. The Company paid a finder's fee of $74,550 and issued 532,500 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $2,080 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.47%, expected dividend rate of 0%, expected volatility of 72.81%, and forfeiture rate of 0%.

On July 6, 2023, the Company issued 4,805,000 units at a price of $0.10 per unit for gross proceeds of $480,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company allocated $nil of the gross proceeds to warrant reserve using the residual value method. The Company paid a finder's fee of $32,235 and issued 230,250 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $13,121 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.70%, expected dividend rate of 0%, expected volatility of 68.42%, and forfeiture rate of 0%. The Company also incurred cash share issuance costs of $5,119.

(c) Stock options

During the year ended November 30, 2012, the Company adopted a stock option plan, which provides that the Board of Directors may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and exercisable for ten years from the date of grant. During the year ended November 30, 2023, the Company adopted a new stock option plan that is identical to the former, except that "Exchange" refers to the CSE rather than the TSX Venture Exchange.

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	**Weighted Average Exercise Price ($)**
Outstanding, November 30, 2022	935,000	0.70
Granted	2,240,000	0.10
Expired	(855,000)	0.71
Outstanding, November 30, 2023[1]	2,320,000	0.11
Granted	450,000	0.12
Exercised	(250,000)	0.10
Outstanding, November 30, 2024[1]	2,520,000	0.11
Exercisable, November 30, 2024	2,195,000	0.11

[1]The stock options have been restated to reflect the 5:1 share consolidation.

On July 16, 2024, the Company granted 200,000 stock options to a director of the Company. The stock options are exercisable at a price of $0.13 per share, for a period of five years and half will vest in six months and the remaining half will vest 18 months from the date of grant. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.31%, expected dividend rate of 0%, expected volatility of 93.31%, and forfeiture rate of 0%. The fair value of the options was calculated at $18,035. The share-based payment expense recognized during the year ended November 30, 2024 was $8,965 (2023: $nil).

(Expressed in Canadian Dollars)

On March 1, 2024, the Company granted 250,000 stock options to the VP of Operations. The stock options are exercisable at a price of $0.12 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.43%, expected dividend rate of 0%, expected volatility of 90.40%, and forfeiture rate of 0%. The fair value of the options was calculated at $21,415. The share-based payment expense recognized during the year ended November 30, 2024 was $20,061 (2023: $nil).

On July 6, 2023, the Company granted 2,240,000 stock options to directors. The stock options are exercisable at a price of $0.10 per share, for a period of ten years and vest immediately. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.42%, expected dividend rate of 0%, expected volatility of 87.05%, and forfeiture rate of 0%. The fair value of the options was calculated at $404,845. The share-based payment expense recognized during the year ended November 30, 2024 was $nil (2023: $404,845).

On February 28, 2022, the Company granted 100,000 stock options to the former CEO. The stock options are exercisable at a price of $0.40 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.73%, expected dividend rate of 0%, expected volatility of 94.02%, and forfeiture rate of 0%. The fair value of the options was calculated at $28,772. The share-based payment expense recognized during the year ended November 30, 2024 was $nil (2023: $1,774).

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of loss and comprehensive loss.

The options outstanding at November 30, 2024 are as follows:

Expiry Date	Outstanding	Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)
April 20, 2026	80,000	80,000	0.40	1.39
March 1, 2029	250,000	125,000	0.12	4.25
July 16, 2029	200,000	-	0.13	4.63
July 6, 2033	1,990,000	1,990,000	0.10	8.60
	2,520,000	2,195,000	0.11	7.63

(Expressed in Canadian Dollars)

(d) Share purchase warrants

A summary of the Company's outstanding share purchase warrants and changes is as follows:

	Quantity	**Weighted Average Exercise Price ($)**	**Weighted Average Remaining Contractual Life (Years)**
Balance, November 30, 2022[1]	1,500,000	0.75	0.22
Issued	10,762,750	0.20	1.00
Expired	(1,500,000)	0.75	0.00
Balance, November 30, 2023	10,762,750	0.20	0.59
Expired	(10,762,750)	0.20	0.00
Balance, November 30, 2024	-	-	-

[1]The Company's warrants outstanding have been restated to reflect the 5:1 share consolidation.

10. INCOME TAXES

As at November 30, 2024, the Company has non-capital losses of approximately $5,632,000, which may be applied against future income for Canadian income tax purposes and non-capital losses of approximately $6,109,000, which may be applied against future income for US income tax purposes. The potential future tax benefits of these losses have not been recorded in these consolidated financial statements.

The losses expire as follows:

	$
2031	13,000
2032	88,000
2033	262,000
2034	467,000
2035	601,000
2036	590,000
2037	678,000
2038	1,968,000
2039	3,351,000
2040	1,337,000
2041	1,074,000
2042	613,000
2043	341,000
2044	358,000
	11,741,000

(Expressed in Canadian Dollars)

A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is as follows:

	2024	2023
	$	$
Loss before income taxes	(362,481)	(399,772)
Income tax at statutory rates	27.00%	27.00%
Expected income tax recovery	(97,870)	(107,938)
Non-deductible items	253	109,787
Temporary differences attributed to:		
Change in timing differences	5,941	(1,854)
Under (over) provided in prior years	(3,546)	(25,433)
Foreign exchange	(38,865)	(39,471)
Differences between Canadian and foreign tax rates	1,010	-
Dissolution of BAT	714,918	-
Unused tax losses and tax offsets not recognized	(581,841)	64,909
Total income tax recovery	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements, as it is not probable that the deferred tax assets will be realized in the future:

	2024	2023
	$	$
Non-capital losses carried forward	11,741,000	12,211,000
Equipment	21,000	20,000
Intangibles	-	1,596,000
Share issuance costs	86,000	120,000
Cumulative eligible capital	69,000	69,000
	11,917,000	14,016,000

11. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes shareholders' equity, comprised of issued share capital, contributed surplus, and deficit in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended November 30, 2024.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive management and non-executive directors.

The following is a summary of related party transactions that occurred during the years ended November 30, 2024 and 2023:

Services provided by:		**2024**	**2023**
		$	**$**
Key management salaries/fees	a)	241,213	102,704
Share-based payments		8,965	404,845
		250,178	507,549

Related parties include:

a) Key management salaries include amounts paid to the CEO and Chief Financial Officer ("CFO").

Included in accounts payable and accrued liabilities is $2,940 (2023: $13,127) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest-bearing and due within 30 days. Additionally, there are amounts due from the Company to a director and a former director of the Company totaling $112,253 (USD$75,808) (2023: $99,707 (USD$67,178)). The amounts are unsecured, due on demand, and bear no interest.

13. FINANCIAL INSTRUMENTS

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2024 and 2023, the Company's financial instruments are comprised of cash, receivables, accounts payable and accrued liabilities, amounts due to related parties and promissory note. The carrying amounts reported in the consolidated statements of financial position for cash, receivables, accounts payable and accrued liabilities, amounts due to related parties and promissory note, and approximate fair values due to the short-term maturities of these financial instruments.

(Expressed in Canadian Dollars)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash is deposited with a large financial institution with a strong credit rating.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2024, the Company had cash of $129,544 (2023: $418,524) available to apply against short-term business requirements and current liabilities of $572,579 (2023: $1,119,072) and non-current liabilities of $240,923 (2023: $nil). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2024. The amounts due to related parties are due on demand.

On April 22, 2024, the promissory note maturity date was extended from July 31, 2024 to December 31, 2024. On July 16, 2024, the promissory note maturity date was extended to May 31, 2025. On January 15, 2025, the promissory note maturity date was extended to January 31, 2026 (Note 17). During the year ended November 30, 2024, $307,731 (USD$225,000) of principal on the promissory note was repaid. Subsequent to November 30, 2024, a further $175,125 (USD$125,000) of principal on the promissory note was repaid.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the CAD. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2024 and 2023, the Company's net exposure to foreign currency risk is as follows:

USD	**2024**	**2023**
	$	**$**
Cash	40,182	39,070
Accounts receivable	104,193	141,431
Accounts payable	(212,935)	(175,448)
Short-term loan payable	(66,121)	(67,178)
Promissory note	(320,482)	(500,000)
Net exposure to foreign currency risk	(455,163)	(562,125)
CAD equivalent	(637,683)	(763,478)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 10% weakening or strengthening of the CAD against the USD would have an immaterial effect on the Company's net loss and comprehensive loss.

(Expressed in Canadian Dollars)

(e) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

14. SEGMENTED INFORMATION

The Company has one operating and reportable segment, the development of cannabis products, in the United States.

15. ECONOMIC DEPENDENCE

During the year ended November 30, 2024, the Company had sales of $1,550,030 in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company's revenues. For the year ended November 30, 2024, the following revenue was recorded from major customers comprising 73% (2023 – 88%) of gross revenues:

	2024	2023
	$	$
Washington State	1,056,338	451,869
Ohio State	72,466	142,351

16. COMMITMENTS

Leases

The Company has a short-term operating lease agreement being month to month. During the year ended November 30, 2024, short-term lease expense of $58,544 was reported in the administrative and office general expenses within the consolidated statements of loss and comprehensive loss.

The Company's lease commitments for each of the five succeeding fiscal years is as follows:

	2025	2026	2027	2028	2029	Total
	$	$	$	$	$	$
Promissory note payments	175,125	292,310	-	-	-	467,435
Lease payments	27,320	-	-	-	-	27,320
	202,445	292,310	-	-	-	494,755

17. SUBSEQUENT EVENTS

Subsequent to November 30, 2024:

- On January 15, 2025, the promissory note maturity date was extended to January 31, 2026. Further, the Company agreed to make a single payment of US$100,000 by February 7, 2025 and pay the remainder of the promissory note principal and accrued interest by January 31, 2026.

- On February 18, 2025, the Company entered into an unsecured promissory note of USD$100,000 with the CEO, bearing interest at a rate of 10% per annum and maturing on February 15, 2026.