The BC Bud Corporation

Consolidated Financial Statements

For the years ended February 29, 2024, and February 28, 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The BC Bud Corporation

Opinion

We have audited the accompanying consolidated financial statements of The BC Bud Corporation (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2024 and February 28, 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024 and February 28, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at February 29, 2024, the Company reported a loss of $1,224,056 (February 28, 2023 - $1,413,817) and had an accumulated deficit of $5,554,088 as at February 29, 2024 (February 28, 2023 - $4,330,032) and working capital deficit of $27,954 at February 29, 2024. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matter to be communicated in our auditor's report.

<u>Completeness, accuracy, and occurrence of revenues</u>

The Company enters into contracts with certain provincial bodies, and as a result, recognizes revenues when the Company has fulfilled the services to the customer or its performance obligations at the transaction price and using the 5-step model indicated by IFRS 15, Revenue from Contracts with Customers (IFRS 15). Judgment is required by the Company to determine the transaction price; and consequently, the completeness and accuracy of revenue recognized.

The principal considerations for our determination that performing procedures relating to the judgment transaction price, and the completeness and accuracy of revenues is a key audit matter are (i) judgments of whether the return rights were significant, which in turn led to (ii) significant auditor judgment, subjectivity and effort in performing procedures and evaluating management's assessment of the return rights and refund provisions and (iii) significant effort involved in assessing the completeness of the transactions and the accuracy of revenues recognized.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included among others:

- Walkthrough of the Company' processes and controls to understand and design appropriate audit procedures to ensure that all transactions that should be recorded are recorded in the financial statements and in the correct period.
- Evaluating the appropriateness of management's assessment of the return rights and refund provisions examining the contract source documents, and estimates for returns.
- Examining and evaluating the contractual terms identified in underlying agreements for consistency with amounts recorded in the financial statements.
- Confirming amounts and balances with certain customers.
- Testing of detailed reconciliations of the revenues recognized to key records maintained by the Company.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

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

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

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

As part of an audits in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 15, 2024

The BC Bud Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		February 29, 2024		February 28, 2023
Assets					
Current assets					
Cash	**14**	$	4,202	$	311,314
Accounts receivable			-		259,785
Prepaid expenses			12,015		-
Other receivable			94,581		68,897
Inventory	**4**		487,253		583,073
			598,051		1,223,069
Machinery and equipment	**5**		32,008		45,727
Intangible assets	**6**		2,007		2,007
		$	632,066	$	1,270,803
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	**10**	$	396,650	$	227,895
Loan payable	**7**		229,355		100,281
			626,005		328,176
Shareholders' equity					
Share capital	**8**		4,965,825		4,790,252
Contributed surplus	**8**		594,325		482,407
Accumulated deficit			(5,554,088)		(4,330,032)
			6,061		942,627
		$	632,066	$	1,270,803

On behalf of the Board:

"Brayden Sutton" — Director

"Joshua Taylor" — Director

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

The BC Bud Corporation

Consolidated Statements of Changes in Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Notes	Years Ended February 29, 2024	February 28, 2023
Revenue		61,482	269,239
Cost of sales		1,979	422,707
Gross margin		59,503	(153,468)
Operating expenses			
Accretion expense	**7**	14,324	7,685
Advertising and promotion		111,955	65,766
Bad debt expense	**13**	28,531	305,736
Write off inventory	**4**	311,472	17,839
Consulting fees	**10**	280,981	325,196
Share-based compensation	**10**	88,991	190,741
Office and administration		16,659	4,581
Professional fees		397,253	214,089
Regulatory and transfer agent fees		26,675	66,467
Insurance		-	32,175
Supplies		142	400
Research and development		-	754
Directors fee	**10**	-	36,000
Trademark registration		6,000	-
		1,282,983	1,267,429
Net operating loss		(1,223,479)	(1,420,897)
Other expenses (income)			
Other income		-	(7,526)
Foreign exchange		577	446
		577	(7,080)
Loss and comprehensive loss for the year		$(1,224,056)	$(1,413,817)
Basic and diluted loss per common share		$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding		55,034,819	45,924,972

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

The BC Bud Corporation
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number Outstanding	Amount $	Contributed Surplus $	Accumulated Deficit $	Total Shareholders' Equity $
Balance, February 28, 2022	**44,843,482**	**4,255,971**	**431,947**	**(2,916,215)**	**1,771,703**
Shares issued for private placement	6,800,000	136,010	203,990	-	340,000
Restricted stock units vested	1,377,083	344,271	(344,271)	-	-
Share issued for services	450,000	54,000	-	-	54,000
Share-based compensation	-	-	190,741	-	190,741
Net loss for the year	-	-	-	(1,413,817)	(1,413,817)
Balance, February 28, 2023	**53,470,565**	**4,790,252**	**482,407**	**(4,330,032)**	**942,627**
Shares issued for private placement	2,646,667	92,885	105,615	-	198,500
Restricted stock units vested	393,750	82,688	(82,688)	-	-
Share-based compensation	-	-	88,991	-	88,991
Net loss for the year	-	-	-	(1,224,056)	(1,224,056)
Balance, February 29, 2024	56,510,982	4,965,825	594,325	(5,554,088)	6,061

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

The BC Bud Corporation
Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)
For the years ended February 29, 2024, and February 28, 2023

	Years Ended	
	February 29, 2024	**February 28, 2023**
Operating activities		
Net loss for the year	$(1,224,056)	$(1,413,817)
Items not involving cash:		
Accretion expense	14,324	7,685
Amortization and depreciation	13,719	13,719
Write down of inventory	311,472	17,839
Bad debt expense	28,531	305,736
Share-based compensation	88,891	190,741
Shares issued for services	-	54,000
Change in working capital:		
Receivable	259,785	(565,521)
Other receivable	(25,683)	(38,348)
Prepaid expenses	(12,015)	33,325
Inventory	(215,552)	(148,665)
Term deposits	-	5,000
Accounts payable and accrued liabilities	140,122	106,601
Cash used in operating activities	(620,362)	(1,431,705)
Financing activities		
Proceeds from issuance of common shares	198,500	340,000
Proceeds loans payable	114,750	-
Cash provided by financing activities	313,250	340,000
Change in cash	(307,112)	(1,091,705)
Cash – beginning of year	311,314	1,403,019
Cash – end of year	4,202	311,314

Supplemental cash flow disclosure (Note 14)

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

1. Nature of operations and going concern

The BC Bud Corporation (the “Company”) was incorporated under the laws of Alberta and was continued into British Columbia during the year ended December 31, 2000. On March 31, 2020, the Company changed its name from Waterfront Capital Corporation to Entheos Capital Corp. On September 29, 2021, the Entheos Capital Corp. completed a reverse takeover transaction with The BC Bud Corporation and changed its name to The BC Bud Corporation. The BC Bud Corporation is listed on the Canadian Securities Exchange (“CSE”) under the symbol “BCBC”. The Company’s registered office is located at 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

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

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

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

The Company reported a loss of $1,224,056 the year ended February 29, 2024 (February 28, 2023 - $1,413,817) and had an accumulated deficit of $5,554,088 as at February 29, 2024 (February 28, 2023 - $4,330,032) and working capital deficit of $27,954 at February 29, 2024 (February 28, 2023 - positive of $894,893). The Company’s ability to continue as a going concern is dependent upon its ability to achieve profitable operations. The achievement of profitable operations is dependent on the demand of its manufactured products by the retailers and maintain in good standing with provincial distributor requirements. The outcome of these matters cannot be predicted at this time. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

The consolidated financial statements of the Company for the years ended February 29, 2024, and February 28, 2023, were approved and authorized for issue by the Board of Directors on October 15, 2024.

a) New standards, interpretations and amendments adopted by the Company include the following and did not have a material impact on the Company's financial statements.

- Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgments: In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements, and IFRS Practice Statement 2 - Making Materiality Judgments ("IFRS Practice Statement 2"). These amendments help entities provide accounting policy disclosure that is more useful to primary users of financial statements by: * Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under IAS 1, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements would make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosure.
- Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: In February 2021, the IASB issued amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. These amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

2. Basis of Preparation (continued)

- Amendments to IAS 12 - Income Taxes: In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 - Income Taxes ("IAS 12"). These amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on the initial recognition of a transaction, to the extent the transaction gives rise to equal amounts of deferred tax assets and liabilities. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities.

b) The Company is currently assessing the impact that adopting the new standards or amendments will have on its consolidated financial statements. No material impact is expected upon the adoption of the following new standards issued but not yet effective:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current In January 2020, the IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current. These amendments clarify the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Pursuant to the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments are effective for annual periods beginning on or after January 1, 2024, with early application permitted.
- IAS 18 - Presentation and Disclosure of Financial Statement: In April 2024, the IASB issued the new standard IFRS 18 - Presentation and Disclosure of Financial Statements. This standard aims to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements: improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replace IAS 1 - Presentation of Financial Statements. This standard becomes effective for years beginning on or after January 1, 2027, and companies may apply it earlier subject to authorization by relevant regulators. The Company is assessing the impacts to ensure that all information complies with the standard.

3. Material Accounting Policy Information

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

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

The detail of the Company's subsidiary is as follows:

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

All intercompany balances and transactions have been eliminated upon consolidation.

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

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

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

Revenue

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

3. Material Accounting Policy Information (continued)

Financial instruments

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

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss ("FVPL") are initially recognized at fair value with changes in fair value recorded in profit or loss. At February 29, 2024 and February 28, 2023 the Company had no FVPL assets.

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

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

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

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

3. Material Accounting Policy Information (continued)

Impairment of financial assets

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

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

Cash

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

Accounts receivable

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

Inventory

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

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

Machinery and equipment

Machinery and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded using the straight-line depreciation method and is intended to depreciate the costs of assets over their estimated useful life of five (5) years.

Intangible assets

The Company's intangible assets consist of the purchase price of trademarks and website development. The intangible assets are recorded at cost. The Company's trademarks are not yet ready for its intended use as of February 28, 2024, and hence no amortization was taken during the current fiscal year.

3. Material Accounting Policy Information (continued)

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

1. Identify the contract with a customer: A contract is an agreement between the Company and a Licensed Producer (LP) that creates enforceable rights and obligations. Key characteristics of a contract include:

    - Approval: Both the company and the LP have approved the contract and are committed to fulfilling their respective obligations.
    - Payment Terms: Payment terms are established and can include fixed or variable consideration.
    - Commercial Substance: The contract has a commercial substance, meaning it affects the Company's cash flows.
    - Collectability: It is probable that the company will collect the consideration to which it is entitled under the contract**.**

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

2. Identify the Performance Obligations in the Contract: Performance obligations are distinct promises to transfer goods or services to the customer. In the context of cannabis contracts with the LPs common performance obligations may include:

    - Production of cannabis: The Company's obligation to produce cannabis according to specified quality standards, and
    - Sale of cannabis products and final product creation: The Company's obligation to transfer control of the cannabis products to the LP.

3. Material Accounting Policy Information (continued)

3. Determine the Transaction Price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services. For cannabis contracts, transaction price determination involves the following consideration:

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

4. Allocate the Transaction Price to Performance Obligations: Once the transaction price is determined, it is allocated to each performance obligation based on the standalone selling prices of the goods or services. The Company has determined that it has one performance obligation with a significant return right that is estimated reducing the transaction value and recognizing revenues that is highly probable of not being reversed. At the year ended February 29, 2024, and February 28, 2023, there were no refund liabilities, revenues were recorded net of returns.

5. Recognize Revenue When the Performance Obligations Are Satisfied: This occurs at a point in time when the goods are transferred to the Provincial purchaser and distributor

Research and development expenditures
Distinguishing the research and development phases of a technology or product and determining whether the recognition requirements for the capitalization of development costs are met requires judgment. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired. No research and development costs were capitalized during the years ended February 29, 2024, or February 28, 2023.

Impairment of long-lived assets
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. Indefinite life intangible assets are tested annually, or more frequently, if events or changes indicate that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

3. Material Accounting Policy Information (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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

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

Share-based compensation
The Company has a stock option plan and long-term equity incentive plan that are described in Note 8. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserve.

Consideration received on the exercise of stock options or restricted stock units are recorded as share capital and the related reserve is transferred to share capital. For those unexercised stock options and warrants that expire unexercised, the recorded value is reclassified from reserves to deficit.

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

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

(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

Income taxes

The Company uses the deferred method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Inventory

Inventory is comprised of the following:

	February 29, 2024	February 28, 2023
Raw materials – packaging	$ 85,714	$ 54,017
Products	401,539	529,056
Balance, end of year	$ 487,253	$ 583,073

During the year ended February 29, 2024, the Company expensed inventory of ($11,740) (2023 - $408,988) as cost of sales. Cost of sales also include depreciation of $13,719 (2023: $13,719) in connection with the use of machinery and equipment. The credit was a result of significant returns made in the current year.

The Company also wrote off inventory for $311,472 (2023: $17,839), this was a result in count and cost adjustments when assessing the net realizable value of inventory.

(Expressed in Canadian Dollars)

5. Machinery and Equipment

Cost		
Balance, February 28, 2022	$	68,591
Additions		-
Balance, February 28, 2023	**$**	**68,591**
Additions		-
Balance, February 28, 2024	**$**	**68,591**

Accumulated depreciation		
Balance, February 28, 2022	**$**	**9,145**
Depreciation		13,719
Balance, February 28, 2023	**$**	**22,864**
Depreciation		13,719
Balance, February 28, 2024	**$**	**36,583**

Net book value, February 28, 2023	**$**	**45,727**
Net book value, February 28, 2024	**$**	**32,008**

6. Intangible Assets

Cost	**Website Development**		**Trademarks**		**Total**	
Balance, February 28, 2022	**$**	**8,500**	**$**	**2,007**	**$**	**10,507**
Balance, February 28, 2023	**$**	**8,500**	**$**	**2,007**	**$**	**10,507**

Cost	**Website Development**		**Trademarks**		**Total**	
Balance, February 28, 2023	**$**	**8,500**	**$**	**2,007**	**$**	**10,507**
Balance, February 28, 2024	**$**	**8,500**	**$**	**2,007**	**$**	**10,507**

Accumulated depreciation					
Balance, February 28, 2022	**$**	(8,500)	$	-	(8,500)
Balance, February 28, 2023 and 2024	**$**	**(8,500)**	**$**	**-**	**(8,500)**

Net book value, February 28, 2022, 2023 and 2024	**$**	**-**	**$**	**2,007**	**2,007**

6. Intangible Assets (continued)

On February 5, 2021, the Company entered an asset assignment and assumption agreement, under which trademarks were assigned to the Company by a shareholder of the Company for consideration of 10,000,000 common shares.

Trademarks consist of the following trademarks: “The BC Bud Co.”, "Canna Beans", "Buds", "Solventless Solutions", "Not an LP", “Canna Almonds”, and “Canna Berries”. The trademarks include all rights to and content of the domain names, social media names, all literature and social media sites, branding and design material associated with the trademarks. These trademarks are being used in trade however not yet approved by the Canadian Intellectual Property Office and not enforceable to date.

7. Loan Payable

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

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

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

Additionally, on June 19, 2023, the company entered into an amending agreement with Sutton Ventures Ltd. to increase the amount of the secured loan from $100,000 to $150,000. During the year ended February 29, 2024, accretion and interest expense of $11,431 (2023 - $7,685) was recorded in the consolidated statements of loss and comprehensive loss. As of February 29, 2024, the Company is in default of the loan, which is now payable on demand.

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

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

7. Loan Payable (continued)

During the year ended February 29, 2024, accretion expense of $2,893 (2023 - $Nil) was recorded in the consolidated interim statements of loss and comprehensive loss.

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

8. Share Capital

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

Share issuances
During the year ended February 28, 2024, the Company had issued 3,040,417 common shares with a fair value of $207,830 (2023 - 8,627,083 common shares with a fair value of $663,233) (Note 9).

During the year ended February 28, 2024, the Company:

a) Issued 2,646,667 common shares issued for private placement
b) Issued 393,750 common shares granted as Restricted stock units

During the year ended February 28, 2023, the Company:

c) Issued 6,800,000 common shares issued for private placement
d) Issued 1,377,083 common shares granted as Restricted stock units
e) Issued 450,000 common shares granted to directors and consultants

On February 2, 2023, the company closed a non-brokered private placement generating gross proceeds of $340,000 through the sale of an aggregate of 6.8 million units at a price of $0.05 per unit.

Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.15 per share until February 2, 2025. All securities issuable in the placement are subject to a four-month hold period expiring on June 3, 2023, in accordance with applicable securities laws.

On February 28, 2023, with the completion of the Company's 2023 financial year-end, the company issued as compensation to its independent directors 100,000 shares each for an aggregate of 300,000 shares at a deemed price of $0.12 per share. The company has also issued 150,000 shares to its adviser, Marc Lustig, for services provided throughout the year.

During the year ended February 29, 2024, 2,646,667 units, consisting of a common share and a warrant, were issued at $0.075 per unit for gross proceeds of $198,500. These warrants have an exercise price of $0.15 per warrant and a life of three years. A value of $73,359 was assigned to these warrants, calculated using a share price of $0.08 - $0.10, remaining life of three years, volatility of over 200%, dividend rate of 0% and a risk-free rate of 3.87%-4.04%.

(Expressed in Canadian Dollars)

9. Share-based compensation

Stock options

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

On March 12, 2023, the Company approved 150,000 options to be issued and granted to Daniel Southan-Dwyer, expiring March 12, 2028, with an exercise price of $0.15.

Stock option transactions are summarized as follows:

Stock Options	**Number of Options**		**Weighted Average Exercise Price**
Balance – February 28, 2022	1,140,000	$	0.20
Granted	700,000	$	0.20
Balance – February 28, 2023	1,840,000	$	0.18
Granted	150,000		0.15
Balance outstanding and exercisable – February 29, 2024	1,990,000	$	0.18

Stock options outstanding as at February 29, 2024:

Expiry Date	**Number of Options**		**Weighted Average Exercise Price**
December 14, 2026	1,140,000	$	0.20
February 3, 2028	700,000	$	0.10
March 12, 2028	150,000	$	0.15

The Company recognized share-based payments expense of $60,269 (2023 - $41,258) for options granted and vested during the year.

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

(Expressed in Canadian Dollars)

9. Share-based compensation (continued)

	February 29, 2024	February 28, 2023
Risk-free interest rate	3.31%	3.54%
Expected life of options	5 years	5 years
Expected annualized volatility	202.87%	199.59%
Dividend rate	-	-
Forfeiture rate	-	-

Restricted share units ("RSUs")
During the year ended February 29, 2024, the Company issued 393,750 common shares upon vesting (2023 – 1,377,083). The vesting conditions were time-based vesting conditions with various maturities (minimum of one year). As the performance conditions of the RSU granted were not market-related, the fair value per RSU used to calculate compensation expense for the RSU granted is determined to be $0.25, equal to the market price on the date of grant.

During the year ended February 29, 2024, 393,750 RSUs (2023: 1,377,083) vested and $82,688 (2023: $344,271) was transferred from Contributed Surplus.

On January 16, 2023, 1,466,667 RSUs were forfeited

Vesting date	Number of RSUs
September 29, 2022	1,377,083
September 29, 2023	393,750
Balance	1,770,833

The Company recognized share-based payment expense of $28,722 (2023 - $149,483) for RSUs issued during the year ended February 29, 2024.

Escrow shares
As of February 29, 2024, there were 8,807,500 (2023 – 14,175,000) common shares held in escrow. 10% of the securities were released on closing of the transaction and the remaining balance is released in six equal tranches of 15% every six months thereafter.

Warrants
In connection with the reverse takeover transaction, the Company completed a non-brokered private placement of 4,000,000 subscription receipts at a price of $0.25 per subscription receipt for aggregate gross proceeds of $1,000,000.

(Expressed in Canadian Dollars)

9. Share-based compensation (continued)

Immediately prior to closing the reverse takeover transaction, each subscription receipt issued pursuant to the private placement was converted into one unit of the Company comprising one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.50 per share until September 29, 2023, following the extension of the term of the Warrants approved by the Company. The Warrants are also subject to accelerated expiry provisions, whereby, if the closing price of the Company's common shares exceeds $0.75 per share for a period of ten consecutive trading days, at the Company's election, the 24-month period within which the Warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their Warrants for a period of 30 days commencing on the day the Company provides notice of same.

On February 2, 2023, the Company closed a non-brokered private placement generating gross proceeds of $340,000 through the sale of an aggregate of 6.8 million units at a price of $0.05 per unit. Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.15 per share until February 2, 2025. All securities issuable in the placement are subject to a four-month hold period expiring on June 3, 2023, in accordance with applicable securities laws.

As of August 25, 2023, a total of $198,500 was raised through the sale of an aggregate of 2,646,667 units at a price of $0.075 per unit. Each unit comprised one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase a further common share at a price of $0.15 per share for a three-year period. A value of $73,358 was assigned to these warrants, calculated using a share price of $0.08 - $0.10, remaining life of three years, volatility of over 400%, dividend rate of 0% and a risk-free rate of 3.87%-4.04%.

Warrant transactions are summarized as follows:

Warrants	**Number of Warrants**		**Weighted Average Exercise Price**
Balance – February 28, 2022	4,000,000	$	0.50
Granted	6,800,000		0.15
Balance – February 28, 2023	10,800,000	$	0.28
Granted	2,646,667		0.15
Expired	(4,000,000)		0.50
Balance outstanding and exercisable – February 29, 2024	9,446,667	$	0.15

Warrants outstanding as at February 29, 2024:

Expiry Date	**Number of Warrants**		**Weighted Average Exercise Price**
February 2, 2025	6,800,000	$	0.15
August 4, 2026	700,000	$	0.15
August 25, 2026	1,946,667	$	0.15

(Expressed in Canadian Dollars)

10. Related Party Transactions

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

During the years ended February 29, 2024, and February 28, 2023, the Company incurred the following amounts towards related parties:

Consulting fees		**Year Ended**		
		February 29, 2024		**February 28, 2023**
TJT Ventures Ltd. (Management)	$	90,000	$	90,000
Emily Graham (former CFO)		-		90,000
Brayden Sutton (CEO)		90,000		85,000
	$	180,000	$	265,000

RSUs vested (note 9)		**Year Ended**		
		February 29, 2024		**February 28, 2023**
Dayna Lange (former Director)	$	27,563	$	32,813
Brian Taylor (Director)		27,563		32,813
Justin Chorbajian (Director)		27,563		32,813
Red Fern Consulting Ltd. (former CFO)		-		50,000
	$	82,688	$	148,438

Share-based compensation		**Year Ended**		
		February 29, 2024		**February 28, 2023**
Joshua Taylor (Management)	$	-	$	8,252
Dayna Lange (former Director)		9,574		40,749
Brian Taylor (Director)		9,574		40,749
Justin Chorbajian (Director)		9,574		40,749
Brayden Sutton (CEO)		-		8,252
Red Fern Consulting Ltd. (former CFO)		-		26,526
	$	28,722	$	165,277

Transactions with **Tricanna Industries Inc,** an entity whose CFO is Dayna Lange, a former director of the Company		**Year Ended** **February 29, 2024**		**February 28, 2023**
Revenue	$	(13,727)	$	219,041
Purchases		196,949		667,729
Advances Paid		198,882		753,468

(Expressed in Canadian Dollars)

10. Related Party Transactions (continued)

As of February 28, 2024, the Company had $251,073 (2023 - $26,487) due to related parties included in accounts payable and accrued liabilities. These amounts are non-interest bearing and due on demand.

As of February 28, 2024, the Company had $nil (2023 - $156,755) due from related parties included in accounts receivable.

During the year ended February 28, 2023, the Company issued shares as compensation for services two independent directors and a consultant for 150,000 shares each for an aggregate of 450,000, these were recorded as professional fees and totaled $54,000 based on the share price at the date of issuance.

11. Income Taxes

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rate of 27% as follows:

	February 29, 2024	February 28, 2023
Loss for the year	$ 1,224,056	$ 1,413,817
Statutory income tax rate	27%	27%
Expected income tax (recovery)	(330,495)	(381,731)
Items not deductible for tax purposes	15,715	53,695
Origination and reversal of temporary differences	3,704	3,704
Unused tax losses and tax offsets not recognized	311,076	324,331
	$ -	$ -

The significant components of the Company's unrecognized temporary differences and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	February 29, 2024	February 28, 2023
Non-capital loss carry forward	$ 6,711,610	$ 5,487,554
Capital loss carry forward	2,660,993	2,660,993
Share issuance costs	6,900	6,900
Equipment	40,879	27,160
Intangible assets	8,500	8,500
Loan payable	(1,999)	(1,999)
	9,426,883	8,189,108
Valuation allowance	(9,426,883)	(8,189,108)
	$ -	$ -

As of February 28, 2024, the Company has approximately $6,711,610 (2023 - $5,487,554) of non-capital losses in Canada that may be used to offset future taxable income, expiring between 2039 and 2041.

12. Capital Management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year ended February 29, 2024.

13. Financial Instruments

Financial instruments

The Company classifies its cash, term deposits, accounts payable and accrued liabilities and loan payable at amortized cost instruments. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. Loan payable is carried at amortized cost, measured at level 2 inputs of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. Although the Company believes its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Credit risk

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

13. Financial Instruments (continued)

Amounts Receivable
Amounts receivable consists of trade receivables of $nil (2023 - $259,785). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As well, any accounts receivable outstanding for more than 90 days is generally considered bad debt, unless there are strong indications that the debt can be collected based on management expectations and historical collections. Subsequent bad debt collected will be included as a bad debt recovery. As a result, as of February 29, 2024, the Company impaired its accounts receivable balance when arriving at the expected credit losses for of $28,531 (2023 - $305,736) in accordance with IFRS 9, *Financial Instruments*.

This bad debt was in occurrence with the nationwide CRA revenue absorption of outstanding excise taxes owing which included several processing and distribution partners, causing a cash crunch. During the year the Company collected cash totalling $Nil since the year end from the accounts receivable (2023 - $259,785)

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As of February 29, 2024, the Company had working capital deficit of $27,954 (2023 – positive of $894,893). All of the Company’s current liabilities are due within 90 days of February 29, 2024.

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

(Expressed in Canadian Dollars)

14. Supplemental Cash Flow Disclosure

Cash comprise of cash and highly liquid investments having maturity dates of three months or less, which are readily convertible into a known amount of cash at any time and are subject to an insignificant risk to changes in their fair value. Cash at February 29, 2024 consists of $4,202 (2023 - $311,314) in cash held at financial institutions.

	Years Ended February 29,	
	2024	2023
Common shares issued for services	**$ -**	$ 54,000

15. Subsequent Events

On April 12, 2024, the Company closed a $400,000 private placement. The company issued 20 million units at a price of $0.02 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.05 per share for a period of 24 months. All securities issuable in the placement are subject to a statutory four-month hold period expiring on August 13, 2024.