

# The BC Bud Co Announces Filing of 2024 Financial Statements

VANCOUVER, BC, *October 16, 2024* – The BC Bud Corporation (CSE: BCBC) (OTCQB: BCBCF) (“The BC Bud Co” or the “Company”), a house of high-quality cannabis brands based out of British Columbia, Canada, announces that it has refiled its consolidated financial statements for the year ended February 28, 2023. Due to significant doubts on the reliability of the financial statements audited by the Company’s previous auditors, BF Borgers, CPA PC, the Company was required to have its financial statements for the year ended February 28, 2023, re-audited. As a result, the following adjustments were made for prior year comparative numbers as included in the filing issued as at October 15, 2024:

As previously disclosed (see the Company’s press release dated May 27, 2024), the Canadian Public Accountability Board (“CPAB”) has issued an enforcement report against the Company’s former auditor, BF Borgers CPA PC (the “Former Auditor”), which prohibited it from accepting Canadian reporting issuers as clients. The Former Auditor was asked to resign by the Company.

Pursuant to the re-audit of the financial statements of the Company for the year ended 2023, the following amounts have been restated compared to what was previously reported on SEDAR+:

- (i) a reduction in accounts receivable by \$305,736 to \$259,785 as at February 28, 2023 to write down accrued revenue that was not collected after the year end;
- (ii) a reduction in advances by \$529,387 to \$Nil as at February 28, 2023 with a corresponding increase to inventory of \$477,016 to \$583,073 as at February 28, 2023 to reclassify advances to inventory and write down certain inventory amounts and their costs following a reassessment of IAS 2;
- (iii) a reduction in accounts payable by \$37,420 to \$227,895;
- (iv) an increase in the deficit of \$320,687 as a result of the adjusting entries above.

Adjustments to the Company’s income statement for the year ended February 28, 2023 reflect:

- (i) a decrease in revenue of \$720,346 to \$269,239 with a corresponding decrease in the costs of good sold of \$709,516 to \$422,707 for the year ended February 28, 2023 following a reassessment of revenue recognition under IFRS 15 related to among other things products held on consignment;

- (ii) a decrease in advertising and promotion of \$64,392 to \$65,766 and corresponding increase to consulting fees of \$12,736 to \$325,196 to reclassify professional fees recorded within marketing fees in the year ended February 28, 2023;
- (iii) an allocation of \$305,736 to 'bad debt' for which no prior allowance was made to write down accrued revenue not collected after the year ended February 28, 2023 following a reassessment of IFRS 9; and
- (iv) an inventory write down of \$17,839 for which no prior allowance was made.

The refiled financial statements and MD&A are available for viewing under the Company's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company expects to file its interim consolidated financial statements for the first quarter ended May 31, 2024 by early next week. Once filed the cease trade order issued by the British Columbia Securities Commission on September 9, 2024 would be revoked and the Company's shares would be expected to resume trading on the CSE in due course.

In other news, the Company has entered into a loan agreement with Sutton Ventures Ltd. ("**Sutton**") dated effective August 30, 2024, a company owned and controlled by CEO Brayden Sutton, pursuant to which Sutton has advanced \$100,000 to the Company as a secured loan (the "**Loan**"). The proceeds of the Loan are to be utilized for working capital purposes, and most specifically the completion of the Company's audited financial statements for the financial year ended February 28, 2024 and restatement of the financial year ended February 28, 2023 (see the Company's news release dated May 27, 2024).

The Loan bears interest at a rate of 8.0% per annum and matures on the earlier of February 28, 2026 or an event of default occurring. The Loan is secured by way of a general security interest in all personal and after acquired property of the Company. The Loan is in addition to a \$150,000 loan made by Sutton to the Company's subsidiary in 2021.

As Sutton is controlled by a director of the Company, the Loan constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101 and more specifically Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the Loan does not exceed 25% of the Company's market capitalization.

## **About The BC Bud Co**

The B.C. Bud Co. is a house of brands created by industry professionals who are passionate about the user experience.

## **Investor Relations**

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## **Disclaimer**

### *Forward-Looking Statements*

Certain statements included in this press release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Factors that could cause the actual results to differ materially from those in forward-looking statements include failure to obtain regulatory approval, the continued availability of capital and financing, and general economic, market or business conditions, including the effects of COVID-19. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the statements will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward-looking statements.

***Neither the Canadian Securities Exchange (the "CSE") nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.***