ARGO LIVING SOILS CORP.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
NOVEMBER 30, 2024
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Argo Living Soils Corp.

Opinion

We have audited the financial statements of Argo Living Soils Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2024 and 2023, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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

As stated in Note 1, the events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

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Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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

In connection with our audit of the 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, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 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 financial statements. As part of an audit 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because 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 David Goertz.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

March 28, 2025

ARGO LIVING SOILS CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	*Note*	November 30, 2024	November 30, 2023
Assets			
Current Assets			
Cash		$ 86,352	$ 98,895
Amounts receivable	*4*	6,492	5,023
Prepaid expenses	*5*	28,133	5,354
		120,977	109,272
Non-Current Assets			
Equipment	*6*	-	28,786
Total Assets		**$ 120,977**	**$ 138,058**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	*9*	$ 75,113	$ 30,453
Due to related parties	*11*	9,900	–
Total Liabilities		**85,013**	**30,453**
Shareholders' Equity			
Share capital	*8*	2,014,893	1,237,546
Contributed surplus		13,388	13,388
Obligation to issue shares	*8*	13,500	49,406
Share-based payment reserve	*8*	196,354	198,998
Accumulated deficit		(2,202,171)	(1,391,733)
		35,964	**107,605**
Total Liabilities and Shareholders' Equity		**$ 120,977**	**$ 138,058**

Nature and continuance of operations – Note 1

Commitment – Note 12

Subsequent events – Note 13

Approved on behalf of the Board of Directors

"Robert Intile"
Director

"Peter Hoyle"
Director

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

ARGO LIVING SOILS CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note		For the year ended November 30, 2024		2023
General and administrative expenses:					
Advertising and promotion		$	314,580	$	36,968
Amortization	*6*		2,281		18,471
Audit and accounting			38,466		31,481
Consulting	*11*		162,250		46,000
Farming expense			-		14,509
Impairment of equipment	*6*		-		42,357
Management services	*11*		35,200		28,000
Office and miscellaneous			27,887		7,736
Professional fees			78,483		50,792
Regulatory and filing fees			44,509		30,243
Research and development	8,12		83,750		-
Share-based compensation	7,8,11		-		278,812
Operating expenses			**(787,406)**		**(585,369)**
Loss on disposal of equipment	6		(26,505)		-
Other income	7,11		3,473		3,608
Net loss and comprehensive loss		**$**	**(810,438)**	**$**	**(581,761)**
Loss per share – basic and diluted		**$**	**(0.06)**	**$**	**(0.06)**
Weighted average number of common shares outstanding – basic and diluted			**12,725,782**		**10,339,603**

Note: All share and per share amounts in these financial statements have been retrospectively adjusted to reflect the 1-for-2 share consolidation completed on July 26, 2024.

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

ARGO LIVING SOILS CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Obligation to Issue Shares	Contributed Surplus	Share-based Payment Reserve	Accumulated Deficit	Total Shareholders' Equity
Balance at November 30, 2022	**9,188,151**	**$ 891,990**	**$ –**	**$ 13,388**	**$ 21,700**	**$ (809,972)**	**$ 117,106**
Shares issued	1,500,000	300,000	–	–	–	–	300,000
Share issuance costs	–	(49,756)	–	–	15,034	–	(34,722)
Shares issued on exercise of warrants	140,850	42,893	–	–	(14,723)	–	28,170
Shares issued for license	250,000	52,419	49,406	–	–	–	101,825
Options granted for license	–	–	–	–	176,987	–	176,987
Net loss	–	–	–	–	–	(581,761)	(581,761)
Balance at November 30, 2023	**11,079,001**	**1,237,546**	**49,406**	**13,388**	**198,998**	**(1,391,733)**	**107,605**
Shares issued	2,378,333	431,750	13,500	–	–	–	445,250
Share issuance costs	–	(42,752)	–	–	9,049	–	(33,703)
Shares issued on exercise of warrants	550,000	217,693	–	–	(11,693)	–	206,000
Shares issued for license	250,000	49,406	(49,406)	–	–	–	–
Shares issued for debt	550,000	82,500	–	–	–	–	82,500
Shares issued for research and development	125,000	38,750	–	–	–	–	38,750
Net loss	–	–	–	–	–	(810,438)	(810,438)
Balance at November 30, 2024	**14,932,334**	**$2,014,893**	**$ 13,500**	**$ 13,388**	**$ 196,354**	**$ (2,202,171)**	**$ 35,964**

Note: All share and per share amounts in these financial statements have been retrospectively adjusted to reflect the 1-for-2 share consolidation completed on July 26, 2024.

ARGO LIVING SOILS CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the year ended November 30, 2024	2023
Operating activities		
Net loss	$ (810,438)	$ (581,761)
Non-cash items:		
Amortization	2,281	18,471
Gain on modification of lease	–	(260)
Impairment of equipment	–	42,357
Interest expense	–	438
Loss on disposal of equipment	26,505	–
Share-based compensation	–	278,812
Shares issued for research and development	38,750	–
Changes in working capital items:		
Amounts receivable	(1,469)	(3,940)
Prepaid expenses	(22,779)	2,797
Accounts payable and accrued liabilities	104,660	3,736
Due to related parties	32,400	(5,250)
Cash used in operating activities	**(630,090)**	**(244,600)**
Financing activities		
Issuance of shares, net of share issuance costs	363,047	265,278
Shares issued on exercise of warrants	206,000	28,170
Advances, net	35,000	(25,000)
Repayment of lease obligations	–	(9,000)
Cash received on subscription to units	13,500	–
Cash provided by financing activities	**617,547**	**259,448**
Increase (decrease) in cash	**(12,543)**	**14,848**
Cash, beginning	98,895	84,047
Cash, ending	**$ 86,352**	**$ 98,895**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Argo Living Soils Corp. (the "Company") was incorporated on March 14, 2018, under the Business Corporation Act of British Columbia. The Company is an agribusiness company specializing in producing and developing organic products including soil amendments, living soils, bio-fertilizers, and vermicompost. The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "ARGO". The Company's corporate office is located at 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, and its registered and records office address is 1200 - 750 West Pender Street, Vancouver, BC V6C 2T8.

These financial statements have been prepared on a going concern basis, which assumes that the Company will have sufficient capital to fund the costs of its operations and realize the carrying value of assets and discharge liabilities in the normal course of operations. A different base of measurements may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at November 30, 2024, the Company has not advanced its operations to commercial production. The ability of the Company to continue as a going concern is dependent upon the successful results from its agribusiness activities and its ability to attain profitable operations and generate funds from and/or raising sufficient equity financing, issuing debt or securing related party advances to complete the development of its agribusiness. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management anticipates that the Company will need to seek out additional equity financing to continue with planned development and general operations for the ensuing year.

On July 26, 2024, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every two old shares. All references to share and per share amounts in these financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in the normal course of business and at amounts different from those reflected in the accompanying financial statements. These adjustments could be material.

2. BASIS OF PRESENTATION

These financial statements were authorized for issue on March 28, 2025, by the directors of the Company.

Statement of compliance with International Reporting Standards
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement
These financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments, which are measured at fair value as described in Note 3. These financial statements are presented in Canadian dollars unless otherwise noted.

3. MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant accounting judgements

The preparation of these financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements used in the preparation of the Company's financial statements include:

- the classification of development expenditures or operating expenses;
- the assessment of the recoverability and measurement of deferred tax assets; and
- the assessment of the Company's ability to continue as a going concern.

Significant accounting estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value of share-based payments and financial instruments, and the recoverability measurement of deferred tax assets.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. The Company's diluted loss per share does not include the effect of stock options or warrants as they are anti-dilutive.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments. When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the shares is determined using the market price, and the residual value is assigned to the warrants. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the share proceeds.

Financial instruments

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income/(loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments:

Financial asset/liability	Classification IFRS 9
Cash	FVTPL
Accounts payable	Amortized cost
Due to related parties	Amortized cost

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated specifically as hedges.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. Gains and losses on derecognition of financial assets classified amortized cost are recognized in profit or loss.

Financial liabilities

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

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive loss.

Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

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

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exits to set off current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Share-based compensation

Share-based payments to employees are measured at the fair value of the stock options issued and recognized over the vesting period. Share-based payments to non-employees are measured at the fair value of goods and services received by the Company or the fair value of the stock options granted, if the fair value of the goods and services cannot be reliably estimated. The fair value of the stock options is determined using Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the stock options are granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Equipment

Equipment is recorded at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through profit or loss.

Equipment is depreciated over its estimated useful life. Interest incurred during construction of facilities is capitalized and depreciated over the life of the asset. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the straight-line method at the following rates:

Class	Useful Life
Farming equipment:	10 years

Impairment of assets

The carrying amount of the Company's non-financial assets (which include property, plant and equipment) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Revenue recognition

The Company recognizes revenue when the transfer of ownership to the customer has occurred and customer has accepted the product. Transaction prices are determined based on the agreed upon prices with customers for the Company's goods at the time contracts are entered into. Royalty revenue is recognized in accordance with the relevant license agreements. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money and expenses any incremental costs of obtaining contracts with customers as incurred.

Foreign currency translation

The Company's financial statements are presented in Canadian dollars, which is the Company's functional currency. Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at reporting date exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period. Exchange differences arising from operating transactions are recorded in operating profit for the period; exchange differences related to the financing transactions are recognized as finance costs or income, or in other comprehensive income.

New accounting standards and interpretations adopted during the current period

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the November 30, 2024, reporting period and have not been early adopted by the Company.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

This amendment clarifies the requirement in determining whether a certain liability should be classified as current or noncurrent based on the rights that exist at the end of the reporting period, explains that rights are in existence if covenants are complied with at the end of the reporting period, and introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendment is to be applied retrospectively for annual periods beginning on or after January 1, 2024, with early adoption permitted. The management of the Company determined that this amendment does not have a material impact on the Company in the current or future periods.

IFRS 18, Presentation and Disclosures in Financial Statements ("IFRS 18")

This is a new standard on presentation and disclosure in financial statements which replaces IAS 1, with a focus on updates to the statement of profit or loss. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retrospective application with specific transition provisions. The Company is assessing the impact of this amendment.

Other new standards and interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. AMOUNTS RECEIVABLE

		November 30, 2024		November 30, 2023
Royalty receivable (Note 7)	$	–	$	1,493
GST receivable		6,492		3,530
Amounts receivable	**$**	**6,492**	**$**	**5,023**

5. PREPAID EXPENSES

		November 30, 2024		November 30, 2023
Prepaid advertising and promotion fees	$	25,131	$	2,881
Prepaid regulatory and filing fees		3,002		2,473
Prepaid expenses	**$**	**28,133**	**$**	**5,354**

6. EQUIPMENT

Cost	Farming Equipment
Balance at November 30, 2022	$ **95,659**
Impairment	(56,376)
Balance at November 30, 2023	**39,283**
Sale of equipment	(39,283)
Balance at November 30, 2024	**$** –
Accumulated Depreciation	
Balance at November 30, 2022	**$ 14,909**
Additions	9,607
Impairment	(14,019)
Balance at November 30, 2023	**10,497**
Additions	2,281
Disposal of equipment	(12,778)
Balance at November 30, 2024	**$** –
Net Carrying Amounts	
Balance, November 30, 2023	**$ 28,786**
Balance, November 30, 2024	**$** –

During the year ended November 30, 2023, the Company recorded impairment of equipment of $42,357 related to the abandoned equipment which could not be moved to a new location upon termination of the farming lease. On July 5, 2024, the Company terminated its joint venture agreement with Pacific Composting and disposed of the remaining equipment, which resulted in a $26,505 loss on disposal of equipment.

7. LICENSE

On September 27, 2023, the Company entered into a license agreement (the "Agreement") with Canadian AgriChar Inc ("Canadian AgriChar"). Pursuant to the Agreement, the Company was granted an exclusive right and license (the "License") to globally market and sell "CHAR+ BioChar", a soil amendment product, for an initial term of 10 years. The Company was to receive a 30% royalty on eligible sales of CHAR+ products. As consideration for the License, on September 27, 2023, the Company issued 250,000 common shares and on March 12, 2024, issued a further 250,000 common shares. In addition, to acquire the License the Company granted to principals of Canadian AgriChar options to acquire up to 650,000 common shares (the "Options") exercisable at $0.30 per share expiring on September 27, 2028. To assist the Company with setting up its marketing and sales infrastructure, the Company agreed to pay Canadian AgriChar a monthly $6,000 management fee for a term of one year commencing on September 23, 2023.

(Expressed in Canadian Dollars)

Due to the lack of historical data, the Company determined the value of the License to be $Nil, therefore the fair value of shares and options issued as consideration for the License of $278,812 were recorded as part of share-based compensation for the year ended November 30, 2023.

The following table summarizes the value assigned to each component issued as consideration for the License as at acquisition date:

250,000 shares issued on approval of the Agreement	$	52,419
250,000 shares issued on March 12, 2024		49,406
Options granted for the License		176,987
Total consideration	**$**	**278,812**

The Company used the Finnerty model to determine the fair value of the shares, which resulted in $52,419 assigned to the 250,000 shares that were issued on September 27, 2023, calculated as $0.28 per share discounted using 25.12% rate to reflect a four-month hold period imposed on these shares, and $49,406 assigned to remaining 250,000 shares issued on March 12, 2024; this value was calculated as $0.28 per share discounted using 29.42% rate to reflect a six-month evaluation period and a four-month hold period.

The value of the options granted for the License was determined to be $176,987. The Company used Black Scholes option pricing model with the following assumptions: Share price - $0.28; exercise price - $0.30; expected life – 5 years; expected volatility – 194.54%; risk free interest rate – 4.33%.

The Agreement with Canadian AgriChar was considered a related party transaction under IAS 24 *Related Party Disclosures* given that the director and the owner of Canadian AgriChar was also a director of the Company at the time the Company entered into the Agreement.

On April 30, 2024, the Company terminated the Agreement with Canadian AgriChar and as a result the options granted to the principals of Canadian AgriChar were cancelled.

During the year ended November 30, 2024, the Company earned $3,290 in royalty fees associated with the License (2023 - $3,608) (Note 11).

8. SHARE CAPITAL

Authorized
Unlimited common shares without par value (the "Shares").

On July 26, 2024, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every two old shares. All references to share and per share amounts in these financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

Share issuances

During the year ended November 30, 2024

On March 21, 2024, the Company closed a non-brokered private placement offering by issuing 1,500,000 units (the "Units") at $0.20 per Unit, for aggregate gross proceeds of $300,000 (the "Offering"). Each Unit was comprised of one common share and one transferrable purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at $0.40 per share expiring on March 21, 2026.

In connection with the Offering, the Company paid $9,800 in legal and regulatory fees, and cash commission of $10,800. In addition, the Company issued agents' warrants to acquire up to 54,000 common shares (the "Agent's Warrants"), which can be exercised at a price of $0.40 per Agent's Warrant until March 21, 2026. The Company calculated the value of the Agent's Warrants to be $8,618 using the Black Scholes option pricing model with the following assumptions:

Share price - \$0.20; exercise price - \$0.40; expected life – 2 years; expected volatility – 203.08%; risk-free interest rate – 4.15%.

On March 12, 2024, the Company issued 250,000 shares as consideration for the License (Note 7). The shares were determined to have a value of \$49,406 calculated as \$0.14 per share discounted using 29.42% rate to reflect a six-month evaluation period from the initial date of the License Agreement, being September 27, 2023, and a four-month hold period.

On June 26, 2024, the Company issued 125,000 shares in connection with the memorandum of understanding (the "MOU") to establish a strategic partnership between the Company and Connective Global SDN BHD ("Connective Global"). The shares have a fair value of \$38,750 (Note 12).

On November 21, 2024, the Company closed the first tranche of a non-brokered private placement financing (the "November Offering") by issuing 878,333 units at \$0.15 per Unit, for aggregate gross proceeds of \$131,750. Each Unit was comprised of one common share in the capital of the Company and one transferrable purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share in the capital of the Company at \$0.20 per share expiring on November 21, 2026. The warrants were assigned a value of \$nil based on the residual method.

In connection with the first tranche of the November Offering, the Company paid the finder's fees in the amount of \$525 and issued an aggregate of 3,500 finder's warrants (each a "Finder's Warrant") to an eligible arm's-length finder. Each Finder's Warrant entitles the holder to acquire one Unit on the same terms as the Units issued in the November Offering at \$0.15 per Unit expiring on November 21, 2026. The Company calculated the value of the Finder's Warrants to be \$430 using the Black Scholes option pricing model with the following assumptions: Share price - \$0.15; exercise price - \$0.15; expected life – 2 years; expected volatility – 186.94%; risk-free interest rate – 3.39%.

On November 28, 2024, the Company issued 550,000 Units at \$0.15 per Unit, on conversion of \$82,500 the Company owed to its vendors. The Units were issued on the same terms as the units issued in the November Offering. A director of the Issuer settled \$22,500 worth of Debt owed for unpaid consulting fees in consideration for 150,000 Units.

During the year ended November 30, 2024, the Company issued a total of 70,000 shares and an additional 35,000 warrants to acquire 35,000 common shares at \$0.40 per warrant share, expiring on March 17, 2025. These shares and warrants were issued on exercise of finder's units for total proceeds of \$14,000. The average share price on the dates the finder's units were exercised was \$0.44. The finder's warrants had an initial value of \$11,693.

During the year ended November 30, 2024, the Company issued a total of 480,000 shares on exercise of warrants for total proceeds of \$192,000. The average share price on the date of exercise was \$0.46.

During the year ended November 30, 2023

On March 17, 2023, the Company closed a non-brokered private placement offering by issuing 1,500,000 units at \$0.20 per Unit for gross proceeds of \$300,000. Each Unit consisted of one Share and one-half of one warrant. Each warrant can be exercised into an additional Share at \$0.40 per share, expiring on March 17, 2025.

In connection with the private placement, the Company paid \$16,722 in legal and regulatory fees and cash commission of \$18,000. In addition, the Company issued agents' warrants to acquire up to 90,000 Units (the "Agent's Warrants"), which can be exercised at a price of \$0.20 per Unit until March 17, 2025. The Company calculated the value of the Agent's Warrants to be \$15,034 using the Black Scholes option pricing model with the following assumptions: Share price - \$0.20; exercise price - \$0.20; expected life – 2 years; expected volatility – 193.74%; risk-free interest rate – 3.54%.

On September 27, 2023, the Company issued 250,000 shares as consideration for the License (Note 6). The shares were valued at \$52,419 calculated as \$0.28 per share discounted using 25.12% rate to reflect a four-month hold period imposed on these shares. The further 250,000 shares to be issued as a consideration for the License were determined to have a value of \$49,406 calculated as \$0.14 per share discounted using 29.42% rate to reflect a six-month evaluation period and four-month hold period, which was recorded as obligation to issue shares. These shares were issued on March 12, 2024. The fair value of the shares issued and to be issued for the License were recorded as a share-based compensation expense.

(Expressed in Canadian Dollars)

During the year ended November 30, 2023, the Company issued a total of 140,850 shares on exercise of finder's warrants for total proceeds of $28,170. The average share price on the date of exercise was $0.26. The finder's warrants had an initial value of $14,723.

Options

On January 21, 2021, the Company adopted a stock option plan. Under the Company's stock option plan, the Company may grant options to employees, consultants and directors up to 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the market price of the Company's shares and the maximum term of the options will be ten years.

The following table summarizes the stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance at November 30, 2022	75,000	$ 0.20
Granted	650,000	0.30
Balance at November 30, 2023	**725,000**	**$ 0.28**
Cancelled	(650,000)	0.30
Balance at November 30, 2024	**75,000**	**$ 0.20**

As at November 30, 2024, the Company had 75,000 stock options remaining outstanding and exercisable at $0.20 per share and expiring on January 21, 2025. These options expired unexercised subsequent to November 30, 2024.

Warrants

The following table summarizes the changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance at November 30, 2022	**4,166,850**	**$ 0.680**
Issued (1)	840,000	0.38
Exercised	(140,850)	0.20
Expired	(26,000)	0.20
Balance at November 30, 2023	**4,840,000**	**$ 0.40**
Issued (2)	3,020,833	0.30
Exercised	(550,000)	0.40
Balance at November 30, 2024	**7,310,833**	**$ 0.36**

(1) 840,000 Warrants issued included 90,000 Agent's Warrants the Company issued in connection with March 17, 2023, private placement. The Agent's Warrants entitle the holders to acquire up to 90,000 Units at a price of $0.20 per Unit until March 17, 2025. Each Unit is comprised of one common share and one-half of one Share purchase warrant. Each whole Warrant can be exercised into one Share of the Company at a price of $0.40 at any time on or before March 17, 2025. During the year ended November 30, 2024, the Company issued 70,000 shares and 35,000 Warrants on exercise of the Agent's Warrants.

(2) 3,020,833 Warrants issued included 3,500 Agent's Warrants the Company issued in connection with November 21, 2024, private placement. The Agent's Warrants entitle the holders to acquire up to 3,500 Units at a price of $0.15 per Unit until November 21, 2026. Each Unit is comprised of one common share and one Share purchase warrant. Each whole Warrant can be exercised into one Share of the Company at a price of $0.20 at any time on or before November 21, 2026.

(Expressed in Canadian Dollars)

At November 30, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,520,000[(1)]	$ 0.40	July 30, 2026
750,000	$ 0.40	March 17, 2025
20,000[(2)]	$ 0.20	March 17, 2025
35,000[(3)]	$ 0.40	March 17, 2025
1,500,000	$ 0.40	March 21, 2026
54,000[(4)]	$ 0.40	March 21, 2026
878,333	$ 0.20	November 21, 2026
3,500[(5)]	$ 0.15	November 21, 2026
550,000	$ 0.20	November 28, 2026
7,310,833	$ 0.36	

(1) On July 18, 2023, these Warrants were repriced from $0.70 per warrant share to $0.40 per warrant share and the expiry date was extended from August 3, 2023, to July 30, 2026.
(2) Agent's Warrants that were issued in connection with March 17, 2023, private placement. The Agent's Warrants entitle the holders to acquire up to 20,000 Units at a price of $0.20 per Unit until March 17, 2025. Each Unit is comprised of one common share and one half of one Share purchase warrant. Each whole Warrant can be exercised into one Share of the Company at a price of $0.40 at any time on or before March 17, 2025.
(3) Finder's warrants issued on exercise of Agent's Warrants. Each Warrant can be exercised into one Share of the Company at a price of $0.40 at any time on or before March 17, 2025.
(4) Finder's warrants issued as part of March 21, 2024 Offering.
(5) Agent's Warrants that were issued in connection with November 21, 2024, private placement. The Agent's Warrants entitle the holders to acquire up to 3,500 Units at a price of $0.15 per Unit until November 21, 2026. Each Unit is comprised of one common share and one Share purchase warrant. Each Warrant can be exercised into one Share of the Company at a price of $0.20 at any time on or before November 21, 2026.

As at November 30, 2024, the remaining contractual life of warrants was 1.5 years.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2024	November 30, 2023
Trade payables	$ 23,223	$ 262
Accrued liabilities	51,890	30,191
Accounts payable and accrued liabilities	**$ 75,113**	**$ 30,453**

10. ADVANCES PAYABLE

During the year ended November 30, 2024, the Company received a total of $45,500 in advances, which were borrowed under non-interest-bearing, unsecured debt arrangements payable on demand (2023 - $Nil). On March 21, 2024, as part of the Offering (Note 8), the Company issued a total of 175,000 units to partially settle the amount owed; the remaining $10,500 were paid in cash.

During the year ended November 30, 2023, the Company repaid $25,000, which was borrowed under a non-interest-bearing debt arrangement during the year ended November 30, 2021.

11. RELATED PARTY TRANSACTIONS

Related parties include the officers, key management personnel, close family members and entities controlled by these individuals. The Company's key management personnel comprise the President, CEO, CFO, directors and other essential officers.

(Expressed in Canadian Dollars)

During the year ended November 30, 2024 and 2023, the Company had the following transactions with related parties:

	Year ended November 30, 2024	Year ended November 30, 2023
Management fees paid or accrued to the CEO, CFO and director of the Company	$ 8,700	$ 6,000
Management fees paid or accrued to a company controlled by a former director and officer of the Company (1)	24,000	22,000
Management fees paid or accrued to a director of the Company	2,500	–
Consulting fees paid or accrued to a director of the Company	30,000	–
Consulting fees paid or accrued to a former director of the Company (2)	–	3,000
Consulting fees paid or accrued to a company controlled by a former director of the Company (2)	–	37,500
Total	**$ 65,200**	**$ 68,500**

(1) On April 30, 2024, the Company terminated the Agreement with Canadian AgriChar and Mr. Ken Bowman resigned from all positions he held with the Company (Note 7).
(2) Mr. Joao (John) Da Costa resigned from all positions he held with the Company on February 6, 2023.

The balances due to related parties consist of amounts owed directly to the officers and directors of the Company and to private companies controlled by the officers and directors of the Company. These amounts are unsecured, non-interest-bearing and due on demand. At November 30, 2024, the balance payable to related parties was $9,900 (2023 - $Nil).

During the year ended November 30, 2024, the Company earned $3,290 in royalty fees associated with the License (2023 - $3,608) (Note 7).

12. RESEARCH AND DEVELOPMENT

On April 9, 2024, the Company signed a non-binding memorandum of understanding (the “MOU”) to establish a strategic partnership between the Company and Connective Global SDN BHD (“Connective Global”). Under the terms of the MOU, the Company and Connective Global agreed to jointly conduct research and development of biochar for agricultural and industrial applications at University Putra Malaysia (“UPM”) over a period of up to 12 months.

The Company has committed to funding a total of $100,000 for research and development and to issue up to 500,000 common shares to Connective Global in stages, based on achieving certain performance milestones in the research and development phase.

As at November 30, 2024, the Company paid $45,000 in cash, and issued 125,000 common shares with a fair value of $38,750 (Note 8).

13. SUBSEQUENT EVENTS

i. On January 31, 2025, the Company closed the second and final tranche of its November Offering by issuing 1,141,500 Units at $0.15 per Unit, for gross proceeds of $171,225. Each Unit was comprised of one common share and one transferrable warrant. Each warrant can be exercised into one additional common share at $0.20 per share, expiring on January 31, 2027. In connection with the second and final tranche of the November Offering, the Company paid finder's fees in the amount of $5,478 and issued 36,520 finder's warrants. Each Finder's Warrant entitles the holder to acquire one share of the Company at a price of $0.20 per share expiring on January 31, 2027.

ii. Subsequent to November 30, 2024, the Company issued a total of 2,240,000 common shares on exercise of warrants for total proceeds of $892,000.

iii. On March 24, 2025, the Company entered into a two-year consulting agreement with New Orleans Private Wealth Management (“NOWM”) for strategic advisory services relating to business development, product planning, market development, and introductions to strategic partners, prospective customers and sources of financing (the “NOWM Agreement”). Pursuant to the NOWM Agreement, the Company agreed to issue NOWM nontransferable compensation options ("Compensation Options") to acquire up to 1,500,000 units of the Company ("NOWM Units") at $0.54 per NOWM Unit expiring on March 24, 2027. Each NOWM Unit consists of one common share and one common share purchase warrant ("NOWM Warrant") of the Company. Each NOWM Warrant will entitle NOWM to purchase an additional common share of the Company at $1.00 per share for a period of two years from the date of issuance of the NOWM Warrants. Pursuant to the terms of the NOWM Agreement, NOWM may exercise up to 375,000 NOWM Units every three months, beginning three months following the effective date of the NOWM Agreement.