HYTN INNOVATIONS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2024

(UNAUDITED)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of HYTN Innovations Inc. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the six months ended March 31, 2024, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars unless otherwise stated.

HYTN Innovations Inc.
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2024 and September 30, 2023
In Canadian Dollars, unless noted (unaudited)

As at	Notes	March 31, 2024	September 30, 2023
		$	$
ASSETS			
Current Assets			
Cash		529,426	187,559
Restricted cash		5,000	5,000
Accounts receivable		92,161	127,576
Inventory	4	284,895	299,574
Total current assets		**911,482**	**619,709**
Non-current Assets			
Property, plant and equipment	5	1,784,552	1,869,707
Deposits		93,290	93,290
Total non-current assets		1,877,842	**1,962,997**
TOTAL ASSETS		**2,789,324**	**2,582,706**
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		894,869	667,253
Loans payable	8	-	107,970
Lease liability - current	6	141,351	87,161
Total current liabilities		**1,036,220**	**862,384**
Non-current Liabilities			
Lease liability - non-current	6	662,698	724,606
Decommissioning provision	7	589,000	681,000
Total non-current liabilities		**1,251,698**	**1,405,606**
TOTAL LIABILITIES		**2,387,918**	**2,267,990**
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	9	14,381,981	13,128,431
Warrant reserve	9	2,776	2,776
Stock-based payment reserve	9	894,072	851,684
Subscriptions	9	-	450,000
Equity contribution to subsidiary		(54,655)	(54,655)
Deficit		(14,722,768)	(14,063,520)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**501,406**	**314,716**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**2,789,324**	**2,582,706**

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

Going concern (Note 2), Commitments (Note 14)

Approved on behalf of the Board of Directors:

"Elliot McKerr", Director   *"Eli Dusenbury",* Director

HYTN Innovations Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended March 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

	Three Months Ended		Six Months Ended	
For the Three and Six Months Ended March 31,	**2024**	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Revenues (Note 10)	145,164	107,907	343,005	404,765
Cost of Sales	107,695	84,837	246,406	301,908
GROSS PROFIT	**37,469**	**23,070**	**96,599**	**102,857**
EXPENSES				
Advertising and marketing	5,898	55,396	14,200	98,806
Consulting expense	35,000	23,890	103,376	53,767
Depreciation (Note 5)	54,843	172,633	106,000	351,179
Office and miscellaneous	117,977	119,988	155,725	208,779
Professional fees	29,389	61,241	68,145	109,868
Salaries and payroll (Note 11)	153,937	246,457	312,175	495,609
Stock based compensation (Note 9)	42,388	25,266	42,388	121,253
Transfer agent and filing fees	15,720	3,237	21,847	4,222
Travel	579	-	608	413
OPERATING EXPENSES	**455,731**	**708,108**	**824,464**	**1,443,896**
TOTAL OPERATING LOSS	**(418,262)**	**(685,038)**	**(727,865)**	**(1,341,039)**
Change in decommissioning provision (Note 7)	(13,000)	-	107,000	14,025
Interest / accretion expense (Note 6,7,8)	(16,462)	(32,972)	(38,383)	(63,191)
	(29,462)	(32,972)	**68,617**	**(49,166)**
NET LOSS AND COMPREHENSIVE LOSS	**(447,724)**	**(718,010)**	**(659,248)**	**(1,390,205)**
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding – Basic and diluted	67,397,072	62,259,837	62,753,088	62,259,837

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

HYTN Innovations Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

As at March 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Subscriptions Received	Warrant reserve	Stock-based payment reserve	Equity contribution to subsidiary	Deficit	Total Equity
	Number	$	$	$	$	$	$	$
Balance, September 30, 2022	62,259,837	13,128,431	-	2,766	726,432	(54,655)	(11,729,015)	**2,073,969**
Stock-based compensation (Note 9)	-	-	-	-	121,253	-	-	**121,253**
Loss for the year	-	-	-	-	-	-	(1,390,205)	**(1390,205)**
Balance, March 31, 2023	**62,259,837**	**13,128,431**	**-**	**2,776**	**847,685**	**(54,655)**	**(13,119,220**	**805,017**
Balance, September 30, 2023	62,319,837	13,128,431	450,000	2,776	851,684	(54,655)	(14,063,520)	**314,716**
Private placement - $0.10 (Note 9)	5,050,000	505,000	(450,000)	-	-	-	-	**55,000**
Private placement - $0.075 (Note 9)	9,980,670	748,550	-	-	-	-	-	**748,550**
Stock-based compensation (Note 9)	-	-	-	-	42,388	-	-	**42,388**
Loss for the year	-	-	-	-	-	-	(659,248)	**(659,248)**
Balance, March 31, 2024	**77,350,504**	**14,381,981**	**-**	**2,776**	**894,072**	**(54,655)**	**(14,722,768)**	**501,406**

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

HYTN Innovations Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended March 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

For the Six Months Ended March 31,		2024	2023
		$	$
OPERATING ACTIVITIES			
Net loss for the period		**(659,248)**	**(1,390,205)**
Items not affecting cash			
Depreciation	**5**	106,000	373,205
Stock-based compensation	**9**	42,388	121,253
Change in decommissioning provision	**7**	(107,000)	(14,025)
Interest/accretion expense	**6,7,8**	38,383	63,191
Net changes in non-cash working capital items:			
Accounts receivable		35,415	(91,999)
Prepaid expenses		-	(4,139)
Inventory		14,679	(10,778)
Accounts payable and accrued liabilities		264,891	92,121
Cash used in operating activities		**(264,492)**	**(861,376)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**5**	(20,845)	-
Cash used in investing activities		**(20,845)**	**-**
FINANCING ACTIVITIES			
Private placement proceeds received - $0.10	**9**	55,000	-
Private placement proceeds received - $0.075	**9**	748,550	-
Repayment of lease liability	**6**	(68,376)	(65,868)
Repayment of indebtedness	**8**	(107,970)	-
Cash used in financing activities		**627,204**	**(65,868)**
Net change in cash		341,867	(927,244)
Cash, beginning of year		187,559	1,026,355
Cash, end of year		**529,426**	**99,111**

No cash interest or income taxes paid during the six months ended March 31, 2024 and 2023.

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

1. NATURE OF OPERATIONS

HYTN Innovations Inc. (the "Company" or "HYTN Innovations") was incorporated under the laws of British Columbia on October 22, 1990. The Company's registered office is 12 East 4th Avenue, Vancouver, British Columbia.

On February 17, 2022, the Company completed the Securities Exchange Agreement (the "SEA") with HYTN Beverage Corp. ("HYTN"), pursuant to which the Company purchased all of the outstanding securities of HYTN in exchange for common shares and common share purchase warrants of the Company issued on a one-for-one basis to the former security holders of HYTN (the "Reverse Take-Over" or "RTO"). The transaction was accounted for as a reverse acquisition, with HYTN identified as the accounting acquirer. Consequently, the comparative figures reported are those of HYTN.

In addition, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with 1306562 B.C. Ltd. ("Numberco") and MMO Merger Holdings Inc., a wholly-owned subsidiary of the Company ("Subco"), pursuant to which Numberco and Subco amalgamated on February 17, 2022 under the Business Corporations Act (British Columbia) with the resulting entity ("Amalco") continuing as a wholly-owned subsidiary of the Company (the "Amalgamation", and together with the Reverse Take-Over, the "Corporate Transactions").

The Corporate Transactions constituted a change of business for the Company, with the Company carrying on with the development and launch of HYTN's sparkling tetrahydrocannabinol and cannabidiol beverage business.

On February 22, 2022, the Company changed its name from Mount Dakota Energy Corp. to HYTN Innovations Inc. and listed its Common Shares on the Canadian Securities Exchange (the "CSE") under the symbol "HYTN".

These condensed consolidated interim financial statements (the "financial statements") were approved by the Board of Directors on May 30, 2024.

2. GOING CONCERN

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. On March 31, 2024, the Company had not yet achieved profitable operations and had a deficit of $14,947,400 (September 30, 2023 - $14,063,520) and a working capital deficiency of $224,738 (September 30, 2023 - $242,675).

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company expects to incur further losses in the development of its business. If for any reason, the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's consolidated financial statements and such adjustments could be material. Management is aware of the Company's reliance on external funding through equity and debt financing, which leads to material uncertainty on the Company's ability to continue as a going concern.

Global Conflict

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.
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3. BASIS OF PRESENTATION

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

a) Accounting Policies and Estimates

These unaudited condensed interim consolidated financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023.

The financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in Notes 3 and 4 of the Company's audited consolidated financial statements for the year ended September 30, 2023. All accounting policies and methods of computation followed in the preparation of these financials statements are consistent with those of the previous year.

b) Basis of consolidation

These financial statements are presented in Canadian dollars ("CAD") and incorporate the financial results of the Company and its controlled subsidiaries:

Entity	Jurisdiction	Functional currency	Ownership %
HYTN Innovations Inc.	Canada	CAD	Parent
HYTN Beverage Corp	Canada	CAD	100%
HYTN Cannabis Inc.	Canada	CAD	100%
1306562 B.C. Ltd.	Canada	CAD	100%

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

c) Foreign currencies

The Company's functional and presentation currency is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

In Canadian Dollars, unless noted (unaudited)

4. INVENTORY

Inventory as at March 31, 2024 and September 30, 2023 consisted of the following:

As at	**March 31, 2024**	**September 30, 2023**
	$	**$**
Raw materials	243,039	278,059
Work in process	11,536	9,137
Finished goods	30,320	12,378
	284,895	**299,574**

During the six months ended March 31, 2024, the Company wrote off nil (2023 – $nil) inventory.

5. PROPERTY, PLANT AND EQUIPMENT

At March 31, 2024, the Company's property, plant and equipment are as follows:

	Leasehold Improvements	**Equipment**	**Right-of-Use Assets**	**Total**
	$	**$**	**$**	**$**
Cost				
Balance, September 30, 2022	977,196	721,620	797,969	2,496,785
Disposals	-	(150,221)	-	(150,221)
Balance, September 30, 2023	**977,196**	**571,399**	**797,969**	**2,346,564**
Additions	20,845	-	-	20,845
Balance, March 31, 2024	**998,041**	**571,399**	**797,969**	**2,367,409**
Accumulated Amortization				
Balance, September 30, 2022	78,782	118,367	84,242	281,391
Additions	65,146	147,836	53,198	266,178
Disposals	-	(70,712)	-	(70,712)
Balance, September 30, 2023	**143,928**	**195,489**	**137,440**	**476,857**
Additions	32,574	46,829	26,598	106,000
Balance, March 31, 2024	**176,502**	**242,318**	**164,038**	**582,857**
Net, September 30, 2022	**898,414**	**603,253**	**713,727**	**2,215,394**
Net, September 30, 2023	**833,268**	**375,910**	**660,529**	**1,869,707**
Net, March 31, 2024	**821,540**	**329,082**	**633,931**	**1,784,552**

During the six months ended March 31, 2024, the Company allocated a total of $6,000 of depreciation related to leasehold improvements to cost of goods sold and rent expense, in the form of overhead (2023 - $14,970).

6. LEASE LIABILITY

The Company's right-of-use asset relates to its leased warehouse and manufacturing facility. The Company has one lease with monthly payments of $10,490, increasing every year by $1 per square foot over the initial 5 years, with an initial term of 10 years and three options to renew for an additional 5 years. The lease is secured by the Company's tangible assets. The incremental borrowing rate applied to lease liability was 15%.

In Canadian Dollars, unless noted (unaudited)

The Company has elected to apply the practical expedient to not separate the non-lease components from the lease component. Accordingly, the lease payments used to measure the right-of-use asset and lease liability includes both the non-lease and lease components.

	March 31, 2024	September 30, 2023
	$	$
Balance, Opening	**811,767**	**822,819**
Interest/accretion expense	60,658	122,775
Repayments	(68,376)	(133,827)
Balance, Closing	**804,049**	**811,767**
Less: Current portion	(141,351)	(87,161)
Lease liability, long-term	**662,698**	**724,606**

The Company's annual lease payments are as follows:

Years ending	$
September 30, 2024	70,466
September 30, 2025	143,859
September 30, 2026	145,949
September 30, 2027	145,949
September 30, 2028 and thereafter	1,262,801
Total lease payments	**1,769,023**
Remaining present value adjustment to be accreted over the lease term	(964,974)
Lease liability balance, March 31, 2024	**804,049**

During the six months ended March 31, 2024, the Company allocated a total of $31,275 of accretion related to the leased warehouse to cost of goods sold, in the form of overhead (2023 - $7,056).

7. DECOMMISSIONING PROVISION

The following table presents the reconciliation of the opening and closing aggregate carrying amount of the decommissioning provision associated with the Company's reclamation efforts for HYTN Innovation's abandoned petroleum and natural gas properties:

	$
Balance, September 30, 2023	**681,000**
Accretion expense	11,000
Change in decommissioning provision	(103,000)
Balance, March 31, 2024	**589,000**

The total undiscounted amount of the estimated cash flows required to settle its decommissioning obligations is $692,477 (2022 - $168,000), which is estimated to occur in five years.

At March 31, 2024, the estimated net present value of the obligation was calculated using a risk-free interest rate of 3.57% (September 30, 2023 – 4.32%) based on the Bank of Canada benchmark bond yields corresponding to the estimated time of reclamation and an inflation rate of 2.90% (September 30, 2023 – 3.80%).

8. LOANS PAYABLE

At March 31, 2024, the Company had repaid the outstanding loans in full. The balance at March 31, 2024 for loans payable was $nil. (September 30, 2023 - $107,970).

In Canadian Dollars, unless noted (unaudited)

9. SHARE CAPITAL

a) Authorized and Issued Share Capital

The authorized share capital consists of an unlimited number of Class A common voting shares.

Common shares issued and outstanding as at March 31, 2024 are 77,350,507 (September 30, 2023 – 62,319,837).

On October 26, 2023, the Company closed its non-brokered private placement of units of the Company ("Units") by issuing a total of 5,050,000 Units at a price of $0.10 per Unit (the "Offering") for aggregate gross proceeds of $505,000. Each Unit consists of one common share in the capital of the Company (a "Share") and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.25 per share for a period of 24 months from the closing date of the Offering.

On March 25, 2024, the Company closed its non-brokered private placement of units of the Company ("Units") by issuing a total of 9,980,670 Units at a price of $0.075 per Unit (the "Offering") for aggregate gross proceeds of $748,550. Each Unit consists of one common share in the capital of the Company (a "Share") and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.25 per share for a period of 24 months from the closing date of the Offering.

b) Options

The Company has established an omnibus equity incentive plan (the "Plan") dated February 17, 2022, contemplating the grant of equity-based incentive awards, in the form of options, restricted share units, preferred shared units and deferred share units, to employees, officers, directors and consultants of the Company. The Plan is a 10% rolling plan, pursuant to which share awards may be granted by the Company not exceeding 10% of the issued and outstanding common shares at the time of grant.

A summary of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2023	**1,990,000**	**$0.35**
Forfeited	(1,015,000)	$0.35
Balance, March 31, 2024	**975,000**	**$0.35**

At March 31, 2024, the following options were outstanding:

Number of Options	Exercisable	Exercise Price	Expiry Date
825,000	825,000	$0.35	February 17, 2026
150,000	150,000	$0.35	February 21, 2026
975,000	**975,000**		

At March 31, 2024, the weighted-average remaining life of the outstanding options was 1.81 years (September 30, 2023 – 2.39 years).

During the six months ended March 31, 2024, the Company recognized $nil in share-based payment expense in connection with the granting and vesting of options (2023 – $36,730).

In Canadian Dollars, unless noted (unaudited)

c) Restricted Share Units

At March 31, 2024, the following restricted share units ("RSU's") were outstanding:

	RSUs
Balance, September 30, 2023	**700,000**
Granted	1,405,000
Balance, March 31, 2024	**2,105,000**

During the six months ended March 31, 2024, the Company granted 1,405,000 RSUs, where 280,000 RSUs vested on issuance and the remaining 1,125,000 RSUs vest quarterly in equal tranches. The fair value of the RSUs was determined based on the Company's share price on the date of grant being $0.145/share. During the year ended September 30, 2022, the Company granted RSUs, vesting quarterly over one year, with the first tranche vesting on May 17, 2022. Upon vesting, each RSU will be redeemable for one common share of the Company. The fair value of the RSUs was determined based on the Company's most recent private placement before the Company's share price was listed at $0.25/share.

During the six months ended March 31, 2024, the Company recognized $42,388 in stock-based compensation expense related to the granting and vesting of RSUs (2023 – $121,253). As the Company intends to settle the RSUs through equity settlement, a corresponding amount was credited to stock-based payment reserve.

d) Share Purchase Warrants

A summary of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, September 30, 2023	-	-
Granted – private placement	5,050,000	0.25
Granted – private placement	9,980,670	0.25
Balance, March 31, 2024	**15,030,670**	**0.25**

At March 31, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
5,050,000	$0.25	October 26, 2025
9,980,670	$0.25	March 31, 2026
15,03,670	**$0.25**	

At March 31, 2024, the weighted-average remaining life of the outstanding warrants was 1.84 years.

e) Performance Warrants

During the year ended September 30, 2022, the Company issued an aggregate of 10,000,000 Performance Warrants to certain members of the management team, with each Performance Warrant exercisable upon vesting to acquire one Common Share at a price of $0.05 per share for a period of five years from the date of issuance.

The Performance Warrants have the following vesting terms:

1) 5,000,000 Performance Warrants shall vest and become exercisable upon the Company achieving aggregate gross revenue of $5,000,000 over any period of 12 consecutive months; and

2) 5,000,000 Performance Warrants shall vest and become exercisable upon the Company achieving aggregate gross revenue of $8,000,000 over any period of 12 consecutive months.

In Canadian Dollars, unless noted (unaudited)

No fair value has been recognized as a result of a probability of nil associated with the progress towards the related performance-based milestones.

f) Resale Restrictions

13,000,000 securities are subject to the following hold periods: 10% of the shares will be released six months after the listing date with the remaining amount to be released in 15% equal tranches every six months thereafter. As at March 31, 2024, 5,850,000 (September 30, 2023 – 7,800,000) common shares are restricted from resale with the next release on August 17, 2024.

16,865,334 securities are subject to the following hold periods: (i) 25% will be released on the Listing Date; (ii) 25% will be released on the date that is 6 months following the Listing Date; (iii) 25% will be released on the date that is 12 months following the Listing Date; and 25% will be released on the date that is 18 months following the Listing Date. As at March 31, 2024, nil (September 30, 2023 – nil) common shares are restricted from resale.

2,500,000 securities are subject to a holding period and 100% of the shares will be released twelve months after the listing date. As at March 31, 2024, nil (September 30, 2023 – nil) common shares are held in escrow.

5,666,766 securities are subject to the following hold periods: (i) 10% will be released on the Listing Date; (ii) 15% will be released on the date that is 6 months following the Listing Date; (iii) 15% will be released on the date that is 12 months following the Listing Date; (iv) 15% will be released on the date that is 18 months following the Listing Date; (v) 15% will be released on the date that is 24 months following the Listing Date; (vi) 15% will be released on the date that is 30 months following the Listing Date; and (vii) 15% will be released on the date that is 36 months following the Listing Date. As at March 31, 2024, 1,700,030 (September 30, 2023 – 2,550,045) common shares are held in escrow with the next release on August 17, 2024.

10. REVENUES

The Company generates revenue from the transfer of goods at a point-in-time from the revenue streams below. As a result, the Company has no deferred revenue on the consolidated statements of financial position.

For the Three and Six Months Ended March 31,	Three Months Ended 2024	Three Months Ended 2023	Six Months Ended 2024	Six Months Ended 2023
	$	$	$	$
Cannabis – beverage sales	108,725	85,492	248,832	288,882
Cannabis – flower sales	2,885	-	2,905	-
Cannabis – edible sales	31,936	1,493	86,035	94,961
Agent fees	1,618	20,922	5,233	20,922
	145,164	**107,907**	**343,005**	**404,765**

During the six months ended March 31, 2024, the Company had three (2023 - three) customers accounting for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 70% (2023 - 94%) of sales.

In Canadian Dollars, unless noted (unaudited)

11. RELATED PARTY TRANSACTIONS

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the six months ended March 31, 2024 were as follows:

Equity incentives granted and fees paid to the following for the services rendered	Equity Incentive Granted	Equity Incentive Grant Amount	Equity Incentive Vested Fair Value	Fees Paid
		#	$	$
The CEO and Director pursuant to officer services provided	RSUs	200,000	397	100,000 – Salaries & Payroll
The COO and Director pursuant to officer services provided	RSUs	200,000	397	125,000 – Salaries & Payroll
The CFO pursuant to officer services provided	RSUs	100,000	397	45,000 – Consulting
A Director of the Company pursuant to director services provided	RSUs	200,000	198	15,000 – Consulting
Total		**700,000**	**1,389**	**285.000**

For the six months ended March 31, 2024, the Company incurred $285,000 in fees for CEO, COO, CFO, and Director services provided included in consulting and salaries and $1,389 vesting of equity incentives.

As at March 31, 2024, $383,121 (September 30, 2023 – $235,990) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

12. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions, and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of public or private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements. There is no change to how capital is managed from the prior year.

13. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. The Company's cash, restricted cash and majority of the deposits are held in large Canadian financial institutions and its accounts receivable relates to third-party sales and GST receivable, which have no history of default; hence credit risk is low.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations. At March 31, 2024, the Company's working capital deficiency is $124,738 (September 30, 2023 - $242,675) and it does not have any long-term financial liabilities other than lease liabilities and decommissioning obligations. The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all.

Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

iv. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

b) Fair Values

The carrying values of cash, accounts receivable, loan receivable, accounts payable and accrued liabilities, deposits, loans payables and lease liabilities approximate their fair values.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company's cash is measured at FVTPL and is level 1.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments, other than cash, are measured at amortized cost.

14. COMMITMENTS

The Company has contracts with the CEO and COO of the Company that include termination and change of control clauses. In the case of termination and change of control, the CEO and COO are entitled lump sum payment equal to 2 years of their annual remuneration. This would amount to up to $900,000 based on salaries in effect as at March 31, 2024.