

CULT Food Science Corp.

Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

For the three months ended March 31, 2024 and 2023

Notice of No Auditor Review of Condensed Interim Financial Statements

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

The accompanying unaudited condensed interim financial statements of Cult Food Science Corp. have been prepared by and are the responsibility of management.

These condensed interim financial statements for the three months ended March 31, 2024 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

CULT Food Science Corp.

Condensed Interim Statements of Financial Position

Expressed in Canadian dollars

	Note	March 31, 2024 (unaudited) \$	December 31, 2023 (audited) \$
Assets			
Current assets			
Cash		-	170
Prepaid expenses		24,467	48,445
		24,467	48,615
Non-current assets			
Investments	4	4,342,071	4,333,003
Equipment	3	4,784	5,169
Total assets		4,371,322	4,386,787
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	8	423,035	355,809
Loan payable	5	44,323	43,488
Total liabilities		467,358	399,297
Shareholders' equity			
Share capital	6	19,767,781	19,767,781
Reserves	6	3,556,374	3,524,905
Deficit		(19,420,191)	(19,305,196)
Total shareholders' equity		3,903,964	3,987,490
Total liabilities and shareholders' equity		4,371,322	4,386,787

Corporate Information and Going Concern (Note 1)

Contingency (Note 9)

Subsequent Events (Note 10)

Approved on behalf of the Board of Directors by:

"Dorian Banks"

Director

"Kirill Kompaniyets"

Director

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

CULT Food Science Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited - Expressed in Canadian dollars

	Note	Three months ended	
		March 31,	
		2024	2023
		\$	\$
Unrealized gain (loss) on fair value of investments		9,067	(3,232)
Expenses			
Consulting fees	8	28,200	428,161
Depreciation	3	386	544
Marketing		7,701	32,071
Office and administration		13,991	114,476
Professional fees		36,028	59,276
Share-based compensation	6	31,469	56,502
Transfer agent and filing fees		5,452	11,942
Total expenses		(123,227)	(702,972)
Loss from operating activities		(114,160)	(706,204)
Other items			
Interest income		-	200
Interest expense		(835)	-
Loss and comprehensive loss for the period		(114,995)	(706,004)
Loss per share, basic and diluted		(0.00)	(0.02)
Basic and diluted weighted average number of common shares outstanding		50,583,170	46,499,828

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

CULT Food Science Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

Unaudited - Expressed in Canadian dollars

	Share Capital		Warrant Reserve	Share-based	Deficit	Total Shareholder's Equity
	Number of Shares*	Amount		Payment Reserve		
		\$	\$	\$	\$	\$
Balance, December 31, 2022	44,289,287	17,796,420	-	3,327,805	(16,657,069)	4,467,156
Warrant exercises (Note 6)	75,000	15,000	-	-	-	15,000
Option exercises (Note 6)	62,500	23,994	-	(11,494)	-	12,500
Conversion of RSUs (Note 6)	1,875,000	412,500	-	(412,500)	-	-
Private placement (Note 6)	3,373,925	1,214,363	134,957	-	-	1,349,320
Share-based compensation	-	-	-	56,502	-	56,502
Loss for the period	-	-	-	-	(706,004)	(706,004)
Balance, March 31, 2023	49,675,712	19,462,277	134,957	2,960,313	(17,363,073)	5,194,474
Balance, December 31, 2023	50,583,170	19,767,781	134,957	3,389,948	(19,305,196)	3,987,490
Share-based compensation	-	-	-	31,469	-	31,469
Loss for the period	-	-	-	-	(114,995)	(114,995)
Balance, March 31, 2024	50,583,170	19,767,781	134,957	3,421,417	(19,420,191)	3,903,964

*On August 23, 2023, the Company completed its share consolidation to consolidate all of the Company's issued and outstanding common shares on the basis of every four (4) old common shares being consolidated into one (1) new common share. All share disclosures in these financial statements are presented on a post-consolidation basis, unless otherwise noted.

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

CULT Food Science Corp.

Condensed Interim Statements of Cash Flows

Unaudited - Expressed in Canadian Dollars

	Periods ended March 31,	
	2024	2023
	\$	\$
Cash flows from operating activities		
Loss for the period	(114,995)	(706,004)
Adjustments for:		
Depreciation	386	544
Unrealized (gain) loss on fair value of investments	(9,067)	3,232
Interest expense	835	-
Share-based compensation	31,469	56,502
Net change in non-cash working capital:		
Prepaid expenses	23,978	(103,550)
Accounts payable and accrued liabilities	67,224	254,748
Total cash flows used in operating activities	(170)	(494,528)
Cash flows from financing activities		
Proceeds from private placement	-	1,349,320
Proceeds from warrant exercises	-	15,000
Proceeds from option exercises	-	12,500
Total cash flows provided by financing activities	-	1,376,820
Increase (decrease) in cash during the period	(170)	882,292
Cash at beginning of period	170	57,839
Cash at end of period	-	940,131

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

CULT Food Science Corp.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

1. Corporate Information and Going Concern

CULT Food Science Corp. (the “Company”) was incorporated on November 16, 1983 under the British Columbia Companies Act and is an investment issuer focused on early stage investments in cultivated meat and cultured dairy companies around the world. Effective July 28, 2021, the Company changed its name to Cult Food Science Corp.

The Company’s registered address is 82 Richmond St. E, Toronto, Ontario, Canada.

These condensed interim financial statements are prepared on a going concern basis, which contemplates 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 business and that management neither intends to liquidate the entity nor does it have no realistic alternative to do so. The Company incurred a net loss of \$114,995 (March 31, 2023 - \$706,004) during the period ended March 31, 2024 and as of the date of the financial statements the Company’s accumulated deficit is \$19,420,191 (December 31, 2023 - \$19,305,196). 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.

The Company’s ability to continue its operations is dependent upon its ability to restructure its debt and raise financing. Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future and that such funds will be available on terms acceptable by the Company. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and to restructure the Company’s debt. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on May 30, 2024.

2. Basis of Presentation and Summary of Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements are set out below.

I) Basis of Preparation and Measurement

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”). The Company has determined that it meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements (“IFRS 10”), and accordingly all investments have been recorded as investments at fair value through profit or loss.

These unaudited interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2023.

b) Basis of Measurement

These interim condensed financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 2(II). In addition, these interim condensed financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These interim condensed financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The preparation of interim condensed financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company’s policies.

c) Comparative figures

Certain comparative figures have been reclassified to conform to the current year’s presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

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2. Basis of Presentation and Summary of Material Accounting Policies (continued)

II) Material Accounting Policies

In preparing these condensed interim financial statements, the material accounting policies and the significant judgments made by management in applying the Company's material accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended December 31, 2023.

3. Equipment

	Office Furniture and Equipment
Cost	\$
Balance, December 31, 2023 and March 31, 2024	39,231
Accumulated Amortization	
Balance, December 31, 2023	34,062
Depreciation	386
Balance, March 31, 2024	34,448
Carrying value	
As at December 31, 2023	5,169
As at March 31, 2024	4,784

4. Investments

i) Simple Agreement for Future Equity ("SAFE") Agreements

Pursuant to the terms of the SAFE Agreements, if there is an equity financing before the instrument expires or is terminated, the investee will automatically issue to the investors either: 1) the greater of: the number of Standard Preferred Shares equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Shares, or the number of Safe Preferred Shares equal to the Purchase Amount divided by the SAFE Price or 2) in case the agreement specifies a discount rate, a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Conversion Price. The Conversion Price means either the SAFE Price or the Discount Price, whichever calculation results in a greater number of shares of Safe Preferred Stock. The SAFE Price means the price per share equal to the Valuation Cap or Post-Money Valuation Cap divided by the Company Capitalization. The Discount Price means the price per share of the Standard Preferred Stock sold in the equity financing multiplied by the Discount Rate.

If there is a liquidation event before the expiration or termination of the SAFE Agreement, the investor will at its option either: 1) receive a cash payment equal to the purchase amount or 2) automatically receive from the investee a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option. Alternatively, the investor will automatically receive a portion of Proceeds, due and payable to the investor, equal to the greater of the Purchase Amount or the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the liquidity price. Thereafter the SAFE Agreement will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the investors and holders of the SAFE Agreements in full, funds will be distributed pro-rata and based on the purchase price and the remaining amounts will be covered with common stock equal to the remaining unpaid purchase price divided by the liquidity event. In a dissolution event, SAFE Agreement holders will be paid out of remaining assets prior to holders of the investee's capital stock.

In accordance with IFRS 9, the Company initially recorded these SAFE investments at cost, which approximates fair value.

ii) The fair value and cost of investments are as follows:

CULT Food Science Corp.

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4. Investments (continued)

	Fair Value \$	Cost \$
Biftek Inc.	407,220	160,999
California Cultured Inc.	142,648	63,955
Change Foods Inc.	150,658	65,203
Fiction Foods Inc.	339,350	317,815
Further Foods Inc.	362,964	362,964
Jellatech Inc.	101,805	95,138
MeliBio Inc.	656,077	255,308
Mogale Meat Co (PTY) Ltd.	698,091	572,593
Novel Farms Inc.	203,610	190,896
Opalia Inc. (formerly BetterMilk Inc.)	441,155	317,693
Peqish Group, Food & Hospitality Inc.	163,328	163,328
Umami Bioworks Pte. Ltd.	354,104	189,407
Unicorn Biotechnologies Limited	107,461	63,929
Others	213,600	2,283,206
March 31, 2024	4,342,071	5,102,434

	Fair Value \$	Cost \$
Biftek Inc.	396,779	160,999
Cella Food Systems Inc.	150,558	150,557
Change Foods Inc.	156,379	65,203
Fiction Foods Inc.	330,649	317,815
Further Foods Inc.	362,964	362,964
Jellatech Inc.	99,194	95,138
MeliBio Inc.	639,257	255,308
Mogale Meat Co (PTY) Ltd.	680,194	572,593
Novel Farms Inc.	198,390	190,896
Opalia Inc. (formerly BetterMilk Inc.)	429,845	317,693
Peqish Group, Food & Hospitality Inc.	163,328	163,328
Umami Bioworks Pte. Ltd.	345,026	189,407
Unicorn Biotechnologies Limited	104,706	63,929
Others	275,734	2,196,264
December 31, 2023	4,333,003	5,102,094

iii) Financial instrument hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

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

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The following table presents the Company's financial instruments, measured at fair value and categorized into levels of the fair value hierarchy on the statements of financial position as at December 31, 2023 and March 31, 2024:

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4. Investments (continued)

Investments at fair value	Level 1 \$	Level 2 \$	Level 3 \$
March 31, 2024	-	-	4,342,071
December 31, 2023	-	-	4,333,003

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the year ended December 31, 2023 and March 31, 2024. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains (losses) are recognized in the statements of loss and comprehensive loss.

	\$
Balance as at December 31, 2021	3,501,002
Additions – paid by cash	389,092
Additions – paid by shares (Note 6)	900,558
Proceeds on disposals	(150,639)
Realized loss on disposals	(84,645)
Unrealized loss, including foreign exchange	(87,187)
Balance as at December 31, 2022	4,468,181
Additions – paid by cash	383,398
Additions – paid by shares (Note 6)	163,328
Unrealized loss, including foreign exchange	(681,904)
Balance as at December 31, 2023	4,333,003
Unrealized gain, including foreign exchange	9,067
Balance as at March 31, 2024	4,342,071

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

Description	Fair value at March 31, 2024 \$	% of investments
SAFE Agreements	3,205,485	74%
Equity – private	1,076,373	25%
Debentures	60,214	1%
	4,342,071	100%

Description	Fair value at December 31, 2023 \$	% of investments
SAFE Agreements	3,308,467	77%
Equity – private	968,106	22%
Debentures	56,430	1%
	4,333,003	100%

Within Level 3, the Company includes private company investments and other investment instruments such as loans to investees and convertible debentures which are not quoted on an exchange. All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

CULT Food Science Corp.

Notes to the Condensed Interim Financial Statements
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(Unaudited - Expressed in Canadian dollars)

4. Investments (continued)

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable. Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the performance of comparable publicly-traded companies. The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in performance of comparable publicly-traded companies generally indicates that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if:

- There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company;
- There have been significant corporate or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- The investee company is placed into receivership or bankruptcy;
- Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- Release by the investee company of positive/negative results; or
- Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

For investments valued based on trends in comparable entities, general market conditions and specific company information, the inputs used can be highly judgmental. A 10% change on the fair value (i.e. recent transaction price) of this investment will result in a corresponding \$434,000 (December 31, 2023 - \$433,000) change in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of the investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

5. Loan Payable

During the year ended December 31, 2023, the Company entered into a demand promissory note and received \$33,000 from a private company. The note is unsecured, bears interest at 10% per annum and is due on demand. The Company also agreed to pay a \$10,000 loan facilitation fee. For the three month period ended March 31, 2024, the Company recorded interest expense of \$835 (2023 - \$Nil).

CULT Food Science Corp.

Notes to the Condensed Interim Financial Statements
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(Unaudited - Expressed in Canadian dollars)

6. Share Capital

Authorized share capital

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

Issued share capital

As at March 31, 2024, the Company had 50,583,170 (December 31, 2023 – 50,583,170) shares outstanding.

On August 23, 2023, the Company completed its share consolidation to consolidate all of the Company's issued and outstanding common shares on the basis of every four (4) old common shares being consolidated into one (1) new common share. All share and per-share disclosures in these financial statements are presented on a post-consolidation basis, unless otherwise noted.

On May 18, 2023, the Company issued 480,375 common shares at a fair value of \$163,328 of the Company pursuant to a Share Exchange Agreement with Peqish Group, Food & Hospitality Inc. (Note 4).

On April 14, 2023, the Company issued 83,333 common shares at a fair value of \$30,000 pursuant to a debt settlement agreement.

On March 21, 2023, the Company issued 3,373,925 units at a price of \$0.40 per unit for gross proceeds of \$1,349,570 pursuant to a non-brokered private placement. Each unit are comprised of one common share in the capital of the Company and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$0.80 for a period of two years from the date of issuance. The Company allocated \$134,957 to the warrants under the residual value method.

During the period ended March 31, 2023, the Company issued 75,000 common shares upon exercise of warrants for total proceeds of \$15,000.

During the period ended March 31, 2023, the Company issued 62,500 common shares upon exercise of stock options for total proceeds of \$12,500. The Company reclassified \$9,459 from share-based payment reserve to share capital.

During the period ended March 31, 2023, the Company issued 1,875,000 common shares upon conversion of 1,875,000 RSUs and the Company transferred \$412,500 from share-based payment reserve to share capital.

Stock Option Plan Details

The Company's Board of Directors, at its discretion may grant non-transferable options for the purchase of common shares to its directors, officers, employees, consultants, or service providers of the Company provided that the maximum number of options that may be reserved for issuance or issued is limited to 20% of the issued and outstanding securities under the plan adopted on March 12, 2021. The Company's stock option plan allows for options to be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Stock Options

On June 21, 2023, the Company granted 12,500 stock options with an exercise price of \$0.26 per share expiring on June 21, 2028. One-quarter of the stock options vest every three months for a year after the date of grant. The fair value of the stock options was estimated to be \$2,981 for the full vesting period of the options, with a current period charge of \$2,404. The Black-Scholes option pricing model was used with the following assumptions: term – 5 years, expected volatility – 151%, risk free rate – 3.57% and expected dividends – \$Nil.

On April 27, 2023, the Company granted 1,250,000 stock options with an exercise price of \$0.40 per share expiring on April 27, 2028. One-quarter of the stock options vest every three months for a year after the date of grant. The fair value of the stock options was estimated to be \$430,911 for the full vesting period of the options, with a current period charge of \$385,127. The Black-Scholes option pricing model was used with the following assumptions: term – 5 years, expected volatility – 148%, risk free rate – 2.99% and expected dividends – \$Nil.

On January 10, 2023, the Company granted 250,000 stock options with an exercise price of \$0.20 per share expiring on January 10, 2028, vesting fully on April 9, 2023. The fair value of the stock options was estimated to be \$20,619 for the full vesting period of the options, with a current period charge of \$18,402. The Black-Scholes option pricing model was used with the following assumptions: term – 5 years, expected volatility – 100%, risk free rate – 3.11% and expected dividends – \$Nil.

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Notes to the Condensed Interim Financial Statements
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(Unaudited - Expressed in Canadian dollars)

6. Share Capital (continued)**Stock Options (continued)**

A summary of stock option activity for the periods ended March 31, 2024 and December 31, 2023 is as follows:

	Period ended March 31, 2024		Year ended December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	3,362,500	\$0.40	4,068,750	\$0.41
Options granted	-	-	1,512,500	\$0.37
Options exercised	-	-	(156,250)	(\$0.20)
Options cancelled	-	-	(2,062,500)	(\$0.42)
Options outstanding, end of period	3,362,500	\$0.40	3,362,500	\$0.40
Options exercisable, end of period	3,046,875	\$0.40	2,731,250	\$0.40

At March 31, 2024, the weighted average remaining contractual life of the outstanding options is 3.19 years (December 31, 2023 – 3.44 years).

As at March 31, 2024, the Company had the following outstanding stock options outstanding:

Number of Stock Options Outstanding	Number of stock options exercisable	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
1,537,500	1,537,500	0.40	August 30, 2026	2.42
25,000	25,000	1.00	October 8, 2026	2.52
25,000	25,000	1.32	November 3, 2026	2.59
12,500	12,500	1.32	November 8, 2026	2.61
25,000	25,000	1.32	March 8, 2027	2.94
12,500	12,500	1.02	April 4, 2027	3.01
375,000	375,000	0.20	August 29, 2027	3.42
25,000	25,000	0.20	October 3, 2027	3.51
62,500	62,500	0.20	November 13, 2027	3.62
1,250,000	937,500	0.40	April 27, 2028	4.08
12,500	9,375	0.26	June 21, 2028	4.23
3,362,500	3,046,875			3.19

Warrants

The Company has issued warrants entitling the holders to acquire common shares of the Company. The following table is a reconciliation of outstanding and exercisable warrants as at March 31, 2024 and December 31, 2023:

	Period ended March 31, 2024		Year ended December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of period	26,928,925	\$0.41	29,090,232	\$0.84
Warrants issued	-	-	3,373,925	\$0.80
Warrants exercised	-	-	(75,000)	(\$0.20)
Warrants expired	-	-	(5,460,232)	(\$2.90)
Warrants outstanding, end of period	26,928,925	\$0.41	26,928,925	\$0.41

At March 31, 2024, the weighted average remaining contractual life of the outstanding warrants is 2.20 years (December 31, 2023 – 2.45 years). The weighted average quoted market price for the warrants exercisable is \$0.41.

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6. Share Capital (continued)

Warrants (continued)

As at March 31, 2024, the Company had the following outstanding warrants:

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
3,373,925	0.80	March 21, 2025	0.97
1,050,000	0.20	May 29, 2026	2.16
4,075,000	0.20	August 3, 2026	2.34
18,430,000	0.40	August 23, 2026	2.40
26,928,925			2.20

As at December 31, 2023, the Company had the following outstanding warrants:

Number of Warrants Outstanding	Exercise Price \$	Expiry Date	Remaining Contractual Life (Years)
3,373,925	0.80	March 21, 2025	1.22
1,050,000	0.20	May 29, 2026	2.41
4,075,000	0.20	August 3, 2026	2.59
18,430,000	0.40	August 23, 2026	2.65
26,928,925			2.45

Restricted Share Units

The Company adopted a Restricted Share Unit Plan in March 2021. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units ("RSU") as it determines appropriate. The aggregate number of shares that may be reserved for issuance, at any time, under this plan and under any other share compensation agreement adopted by the Company, including the Company's Stock Option Plan, shall not exceed up to a maximum of 20% of the issued and outstanding shares at the time of grant.

On August 19, 2022, the Company granted an aggregate of 2,500,000 RSUs to consultants of the Company. The RSUs vested immediately. Each RSU entitle the eligible parties the ability to acquire one common share in the capital of the Company for a period of five years from issuance. The RSUs had a fair value of \$550,000, based on the closing price of the Company's common shares on the date of grant.

On June 5, 2023, the Company has granted 250,000 RSUs to a consultant of the Company. The RSUs vested immediately. Each RSU entitle the eligible parties the ability to acquire one common share in the capital of the Company for a period of five years from issuance. The RSUs had a fair value of \$75,000, based on the closing price of the Company's common shares on the date of grant.

On November 1, 2023, the Company granted 250,000 RSUs to the Company's newly appointed CEO, Mitchell Scott. 50% of the RSUs vested immediately with the remaining 50% vesting on December 1, 2023. The RSUs entitle the CEO to acquire one common share in the capital of the Company for a period of five years from issuance. The RSUs had a fair value of \$25,000, based on the closing price of the Company's common shares on the date of grant.

During the period ended March 31, 2024, the Company issued Nil (2023 - 1,875,000) common shares upon conversion of Nil (2023 - 1,875,000) RSUs and the Company transferred \$Nil (2023 - \$412,500) from share-based payment reserve to share capital.

7. Financial Instruments, Capital Management and Risk Management

I. Financial Instruments

The Company's financial instruments include cash, investments, accounts payable and accrued liabilities and loan payable.

Determination of Fair Value

The carrying value of cash, investments, accounts payable and accrued liabilities and loan payable approximate their fair value because of the short-term nature of these instruments. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

CULT Food Science Corp.

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7. Financial Instruments, Capital Management and Risk Management (continued)

	Fair Value Measurement Hierarchy	Financial assets at FVTPL	Financial liabilities at amortized cost
As at March 31, 2024:			
Cash	Not applicable	\$ -	\$ -
Investments	Level 3	4,342,071	-
Accounts payable and accrued liabilities	Not applicable	-	423,035
Loan payable	Not applicable	-	44,323
As at December 31, 2023:			
Cash	Not applicable	\$ 170	\$ -
Investments	Level 3	4,333,003	-
Accounts payable and accrued liabilities	Not applicable	-	355,809
Loan payable	Not applicable	-	43,488

II. Capital Management

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to seek new investment opportunities for the benefit of its shareholders. The Company includes shareholders' equity in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the years presented.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

III. Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and loan receivable. The Company's credit exposure is limited to the carrying amount of its financial assets.

The Company's cash is held with a high-credit-rated financial institution and, as such, the Company does not believe there to be a significant credit risk in respect to cash.

b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operations and financial results.

The Company holds investments in US dollar, as such, it is subject to fluctuations in the exchange rates for the Canadian dollar and US dollar. Based upon the Company's financial instruments at March 31, 2024, a 2% increase or decrease in the US dollar would result in an increase/decrease to profit or loss of approximately \$75,000 (December 31, 2023 - \$101,000).

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to a financial liability with fluctuating interest rates. The Company considers the risk to be immaterial.

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7. Financial Instruments, Capital Management and Risk Management (continued)

(iii) Commodity price risk

Commodity risk is the exposure to fluctuations in the market price of commodities. The Company does not have any commodity exposure.

(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company holds investments in securities that will fluctuate in value as a result of fluctuations in estimated fair values of those securities. Furthermore, as the Company's investments are early stage cultivated meat and cultured dairy companies, market values will fluctuate subject to the price of meat and dairy prices, economic cycles and political events. See Note 4 for details.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The key success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's policy is to ensure that it will have sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total
Accounts payable and other liabilities:					
March 31, 2024	\$ 423,035	\$ -	\$ -	\$ -	\$ 423,035
December 31, 2023	355,809	\$ -	\$ -	\$ -	355,809

8. Related Party Transactions

The Company considers its related parties to comprise directors, officers, companies controlled by directors and officers and companies with common directors. The key management compensation and fees consist of the following for the periods ended March 31, 2024 and 2023:

	Period ended March 31, 2024	March 31, 2023
Consulting fees	\$ 28,200	\$ 63,375
	28,200	63,375

As at March 31, 2024, the balance due to related parties was \$184,871 (December 31, 2023 - \$156,804) which is included in accounts payable and accrued liabilities.

9. Contingency

During the year ended December 31, 2023, a claim was commenced against the Company by Cell AG Tech Inc. ("Cell AG"). The claim was brought against the Company seeking specific performance of a share purchase agreement Cell AG alleges it entered into with the Company, including seeking an order that the Company pay Cell AG the purchase price and additional consideration as defined in the share purchase agreement, as well as the consulting fees, professional fees and grant funding as contemplated in the share purchase agreement and letter of intent. The Company believes the claim is meritless and intends to defend itself. The matter is set for hearing on April 4, 2025.

10. Subsequent Events

On April 4, 2024, the Company entered into debt settlement agreements to settle outstanding debts totaling \$140,940 and issued 3,270,000 common shares.

CULT Food Science Corp.

Notes to the Condensed Interim Financial Statements

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10. Subsequent Events (continued)

On April 8, 2024, the Company granted 1,360,000 RSUs of the Company to the Company's directors and officers. The RSUs vest immediately. Each RSU entitles the directors and officers to acquire one common share of the Company for a period of five years from issuance.

On May 3, 2024, the Company closed a non-brokered private placement ("Private Placement") of units ("Units") for gross proceeds of C\$800,000 through the sale of 16,000,000 Units at a price of C\$0.05 per Unit. Each Unit is comprised of one common share in the capital of the Company (a "Common Share") and one common share purchase warrant (each a "Warrant"). Each Warrant will be exercisable into one Common Share at a price of C\$0.06 per share for two (2) years from the date of issue. The proceeds from the Private Placement are intended to be used for working capital and general corporate purposes. All securities issued pursuant to the Private Placement will be subject to a four month and one day hold period from the date of issue pursuant to National Instrument 45-105 – Prospectus Exemptions. PowerOne Capital Markets Limited acted as a finder in connection with a portion of the Private Placement. In connection with the Private Placement, the Company paid aggregate cash finder's fees of \$36,750 and issued 735,000 finder's units (each, a "Finder Warrant"), each Finder Warrant being exercisable into one Unit at a price of \$0.05 for a period of two (2) years from the date of Closing.

On May 9, 2024, the Company granted 2,500,000 stock options to consultants of the Company, vesting 100% on the grant date with an exercise price of \$0.11. 500,000 of the stock options expire on May 9, 2026 and the remainder expire May 9, 2029.

On May 21, 2024, the Company granted 500,000 stock options and 1,000,000 RSUs of the Company to a consultant of the Company. The stock options vest 100% on the grant date with an exercise price of \$0.155 and an expiry date of May 21, 2026. The RSUs vest in three equal tranches four month, eight months and twelve months after the grant date and each RSU entitles the consultant to acquire one common share of the Company for a period of two years from issuance.

On May 27, 2024, the Company granted 200,000 stock options to a consultant of the Company, vesting 100% on June 27, 2024 with an exercise price of \$0.20 and an expiry date of May 27, 2026.