
BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2023
(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended July 31, 2023, have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at July 31, 2023 and October 31, 2022
(Unaudited - Expressed in Canadian Dollars)

	July 31, 2023	October 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 431,802	\$ 221,272
Accounts receivable	1,248,140	643,487
Inventory (Note 5)	1,473,663	385,213
Prepaid expenses	504,422	40,967
	3,658,027	1,290,939
NON-CURRENT ASSETS		
Equipment (Note 6)	871,403	426,235
Trademarks (Note 6)	60,679	36,266
Total assets	\$ 4,590,109	\$ 1,753,440
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 7 and 10)	\$ 2,056,449	\$ 741,580
Promissory notes (Note 8)	36,411	35,065
	2,092,860	776,645
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	26,307,667	21,285,949
Contributed surplus (Note 9)	4,066,114	621,501
Deficit	(27,876,532)	(20,930,655)
	2,497,249	976,795
Total liabilities and shareholders' equity	\$ 4,590,109	\$ 1,753,440

Nature of business and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board of Directors:

"Chelsie Hodge"
Chelsie Hodge, Director

"Geoff Balderson"
Geoff Balderson, Director

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

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three and nine months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Three months ended July 31,		Nine months ended July 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Sales	1,278,217	1,157,801	1,934,988	3,132,938
Cost of goods sold (Note 5)	778,593	1,028,099	1,297,158	3,129,406
Gross Margin	499,624	129,702	637,830	3,532
EXPENSES				
Advertising and promotion	629,272	572,338	997,311	1,603,855
Consulting fees	304,082	697,519	650,425	1,141,214
Depreciation (Note 6)	8,706	13,412	13,586	32,991
Freight expense	70,139	-	138,039	-
Interest and accretion expense (Note 8)	455	453	1,346	1,346
New product development	57,207	34,370	149,040	111,448
Office and administration	80,104	40,562	150,164	64,767
Professional fees	221,437	62,731	442,094	147,903
Selling expense	82,863	-	156,867	-
Share based compensation (Note 9)	3,195,535	-	4,493,363	316,090
Transfer agent and filing fees	12,304	14,499	17,116	43,139
Travel expense	34,770	3,574	109,711	8,170
Wages and benefits (Note 10)	85,467	116,937	268,386	316,747
	(4,782,161)	(1,556,395)	(7,587,448)	(3,787,670)
Net loss before other items	(4,282,537)	(1,426,693)	(6,949,618)	(3,784,138)
OTHER ITEMS				
Gain on settlement of AP	-	-	3,164	53,060
Other income	577	-	577	69
	577	-	3,741	53,129
Net loss and comprehensive loss for the period	(4,281,960)	(1,426,693)	(6,945,877)	(3,731,009)
Basic and diluted loss per share	(0.73)	(0.35)	(1.42)	(0.95)
Weighted average number of common shares outstanding	5,899,773	4,043,139	4,876,118	3,913,612

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

BLENDER BITES LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the nine months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

SHARE CAPITAL						
	Number of Shares	Amount	Contributed Surplus	Deficit	Total Equity	
Balance at October 31, 2021	3,676,839	\$ 18,126,510	\$ 1,859,000	\$ (16,297,713)	\$ 3,687,797	
Consolidation adjustment	(2)	-	-	-	-	
Shares issued for debt	20,989	212,241	-	-	212,241	
Exercise of warrants	298,846	741,138	-	-	741,138	
Share based compensation	-	-	316,090	-	316,090	
Shares issued for services	95,000	503,500	-	-	503,500	
Net loss for the period	-	-	-	(3,731,009)	(3,731,009)	
Balance at July 31, 2022	4,091,672	\$ 19,583,389	\$ 2,175,090	\$ (20,028,722)	\$ 1,729,757	
Balance at October 31, 2022	4,091,672	\$ 21,285,949	\$ 621,501	\$ (20,930,655)	\$ 976,795	
Private placement	1,121,069	3,320,985	57,000	-	3,377,985	
Shares issued for debt	28,792	167,858	-	-	167,858	
Shares issued for services	25,000	145,750	-	-	145,750	
Exercise of warrants	106,250	427,125	-	-	427,125	
Vesting of RSUs	795,000	960,000	(960,000)	-	-	
Share based compensation	-	-	4,347,613	-	4,347,613	
Net loss for the period	-	-	-	(6,945,877)	(6,945,877)	
Balance at July 31, 2023	6,167,783	\$ 26,307,667	\$ 4,066,114	\$ (27,876,532)	\$ 2,497,249	

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

BLENDER BITES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended July 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended July 31,	
	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (6,945,877)	\$ (3,731,009)
Items not involving cash:		
Bad debt	18,480	-
Depreciation	67,609	32,991
Gain on settlement of debt	(3,164)	-
Interest and accretion expense	1,346	1,346
Share based compensation	4,493,363	316,090
Shares issued for services	-	503,500
Changes in non-cash working capital items:		
Accounts receivable	(623,133)	(693,869)
Inventory	(1,088,450)	(182,994)
Prepaid expenses	(463,455)	1,042,015
Accounts payable and accrued liabilities	1,485,892	268,306
Cash (used in) operating activities	(3,057,389)	(2,443,624)
INVESTING ACTIVITIES		
Purchase of equipment	(508,716)	(389,853)
Purchase of trademarks	(28,475)	(6,736)
Cash provided by (used in) investing activities	(537,191)	(396,589)
FINANCING ACTIVITIES		
Shares issued for private placement	3,377,985	-
Exercise of warrants	427,125	741,138
Cash provided by financing activities	3,805,110	741,138
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	210,530	(2,099,075)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	221,272	2,587,871
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 431,802	\$ 488,796
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Fair value of shares issued for administrative shares	\$ 75,320	\$ -
Fair value of shares issued for debt settlement	\$ 167,857	\$ 212,241
Fair value of shares issued for services (share based compensation)	\$ 145,750	\$ -

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

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
July 31, 2023
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Blender Bites Limited (“BITE” or the “Company”) was incorporated on March 23, 1999, under the laws of British Columbia and is the parent company of Blender Bites (Holdings) Limited (“BBI” or “Blender Bites”). The head office and records are located at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5. Effective October 8, 2020, the Company changed its name from Rewardstream Solutions Inc. to Balsam Technologies Corp. and commenced trading under the trading symbol “BTEC.H”. Effective September 21, 2021, the Company changed its name from Balsam Technologies Corp. to Blender Bites Limited and commenced trading under the trading symbol “BITE” on the Canadian Securities Exchange (“CSE”).

The Company’s business is the manufacturing and distribution of natural and organic frozen smoothie products.

On January 19, 2022, the Company completed a share split of its common shares on the basis of 1.25 new common shares for every existing 1 common share. On July 6, 2022, the Company completed a share consolidation of its common shares on the basis of 1 common share for every existing 10 common shares. The share consolidation has been retroactively presented in the condensed interim consolidated financial statements by adjusting all share amounts, including per share amounts.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and the settlement of liabilities and commitments in the normal course of operations. The Company realized a net loss of \$6,945,877 for the nine months ended July 31, 2023. As at July 31, 2023, the Company had an accumulated deficit of \$27,876,532. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company’s continued existence is dependent upon its ability to raise additional capital and to achieve profitable operations and positive cash flows. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. 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. If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used. Such adjustments could be material.

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on September 29, 2023.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, Blender Bites (Holdings) Limited. The functional currency of Blender Bites US Ltd. is the United States Dollar (“US dollar”).

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary at the end of the reporting period:

	Incorporated	Nature	Ownership July 31, 2023	Ownership October 31, 2022
Blender Bites (Holdings) Limited	British Columbia	Consumer products	100%	100%
Blender Bites US Ltd.	Nevada	Consumer products	100%	-

These condensed interim consolidated financial statements are a continuation of the financial statements of Blender Bites. The net assets of BITE at the date of the reverse acquisition are deemed to have been acquired by Blender Bites and these condensed interim consolidated financial statements include the results of operations of BITE from September 20, 2021.

The results of the wholly owned subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements for the year ended October 31, 2022. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2022.

BLENDER BITES LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

Recoverability of accounts receivable and allowance for credit loss

The Company provides allowances for lifetime expected credit losses based on an assessment of the recoverability of accounts receivable. Allowances are applied to accounts receivable at initial recognition based on the probability of default by the customers. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of accounts receivable.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the Condensed interim consolidated financial statements within the next financial year are discussed below:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern. See Note 1 for additional details.

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

BLENDER BITES LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

5. INVENTORY AND COST OF GOODS SOLD

Inventory is comprised of raw materials and finished goods held on consignment with the Company's distributors for delivery and fulfilment of sales to wholesalers. Inventory as at July 31, 2023 and October 31, 2022 consists of the following:

	July 31, 2023	October 31, 2022
Raw materials	\$ 806,328	\$ 229,921
Finished goods	667,335	155,292
	\$ 1,473,663	\$ 385,213

Cost of goods sold for the period ended July 31, 2023 and October 31, 2022 consists of the following:

	July 31, 2023	October 31, 2022
Depreciation	\$ 54,023	\$ 37,334
Freight and Shipping	-	44,659
Materials	1,243,135	3,353,314
	\$ 1,297,158	\$ 3,435,307

6. EQUIPMENT AND TRADEMARKS

The following is a summary of activities for the nine months ended July 31, 2023:

	Moulds \$	Equipment \$	Trademarks \$	Total \$
COST				
Balance, October 31, 2021	31,113	64,494	22,404	118,011
Additions	3,251	383,245	18,374	404,870
Balance, October 31, 2022	34,364	447,739	40,778	522,881
Additions	134,571	374,144	28,475	537,190
Balance, July 31, 2023	168,935	821,883	69,253	1,060,071
ACCUMULATED DEPRECIATION				
Balance, October 31, 2021	9,577	2,419	1,565	13,561
Additions	6,538	37,334	2,947	46,819
Balance, October 31, 2022	16,115	39,753	4,512	60,380
Additions	8,432	55,115	4,062	67,609
Balance, July 31, 2023	24,547	94,868	8,574	127,989
Net book value, October 31, 2022	18,249	407,986	36,266	462,501
Net book value, July 31, 2023	144,388	727,015	60,679	932,082

During the period ended July 31, 2023, amortization of \$54,023 (year ended October 31, 2022 - \$37,334) is included in cost of goods sold.

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2023	October 31, 2022
Accounts payable	\$ 1,946,969	\$ 688,270
Accrued liabilities	109,480	53,310
	\$ 2,056,449	\$ 741,580

8. PROMISSORY NOTES

During the period ended October 31, 2020, Blender Bites entered into two promissory note agreements with a significant shareholder. The first promissory note agreement is for principal of \$100,000, due on demand. This note is secured against certain sales of Blender Bites. The second loan agreement, unsecured, was for \$90,000 and is due on demand.

During February 2021, the Company entered into a third promissory note agreement with a significant shareholder, unsecured, for principal of \$60,000 that matured in February 2022. All loans bear interest at 8%. As the promissory notes have either matured or are due within twelve months, the amounts are due on demand and are recognized as a current liability on the statements of financial position.

The following is a summary of promissory note activities for the nine months ended July 31, 2023:

	Total
Balance, October 31, 2021	\$ 33,265
Interest accrued	1,800
Balance, October 31, 2022	35,065
Interest accrued	1,346
Balance, July 31, 2023	\$ 36,411

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
July 31, 2023
(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares, without par value.

b) Issued and outstanding

During the nine months ended July 31, 2023:

On June 22, 2023, the Company closed a private placement of 443,072 units at a price of \$3.50 per unit for gross proceeds of \$1,550,752. Each unit is comprised of one common share and ½ warrant with each whole warrant exercisable at \$4.55 per share and expiring on June 22, 2026. In accordance with the transaction, the Company paid \$108,553 in cash finder's fees, and legal fees of \$64,212. The company issued 31,015 agent warrants with a fair value of \$57,000 with an exercise price of \$3.50 and expiring on June 22, 2025. The company also issued 13,292 common shares with a fair value of \$45,193 as broker's fees, and an additional 8,861 common shares with a fair value of \$30,137 as administrative fees to a third-party for their assistance in the transaction.

On March 29, 2023, the Company issued 25,000 common shares with a fair value of \$145,750 to the Company's CEO as a performance bonus in accordance with the fulfilment of the first aggregate revenue target stipulated in the employment agreement.

On March 29, 2023, the Company issued 28,792 common shares with a fair value of \$167,857 to settle outstanding debt of \$171,022.

On March 17, 2023, the Company closed a private placement of 410,850 units at a price of \$3.08 per unit for gross proceeds of \$1,265,418. Each unit is comprised of one common share and one warrant. Each warrant is exercisable at a price of \$5.50 per share and expires on March 17, 2028. In accordance with the transaction, the Company issued 4,109 common shares as administrative fees to a third-party for their assistance in the transaction.

On March 7, 2023, the Company closed a private placement of 238,500 units at a price of \$3.08 per unit for gross proceeds of \$734,580. Each unit is comprised of one common share and one warrant. Each warrant is exercisable at a price of \$5.50 per share and expires on March 7, 2028. In accordance with the transaction, the Company issued 2,385 common shares as administrative fees to a third-party for their assistance in the transaction.

During the nine months ended July 31, 2023, the Company issued an aggregate of 106,250 common shares for total proceeds of \$427,125 for the exercise of warrants.

During the year ended October 31, 2022:

On January 19, 2022, the Company completed a share split of its common shares on the basis of 1.25 new common shares for every existing 1 common share. On July 6, 2022, the Company completed a share consolidation of its common shares on the basis of 1 common share for every existing 10 common shares. The share consolidation has been retroactively presented in the consolidated financial statements by adjusting all share amounts, including per share amounts.

On June 16, 2022, the Company issued 95,000 shares in exchange for services performed at a price of \$5.20 per share and recognized consulting fees in the amount of \$494,000.

On November 22, 2021, the Company issued 20,989 common shares to settle outstanding debt of \$265,301. The Company valued the shares at the market price of \$12.64.

During the year ended October 31, 2022, the Company issued an aggregate of 298,846 common shares for total proceeds of \$741,138 for the exercise of warrants.

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
July 31, 2023
(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of stock options up to 25% of the issued and outstanding common shares of the Company to directors, officers, key employees, and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

The table below summarizes the information on the outstanding stock options of the Company for the period ended July 31, 2023:

	Number of Stock Options	Weighted Average Exercise Price
Balance, October 31, 2021	-	\$ -
Issued	87,500	11.64
Balance, October 31, 2022	87,500	11.64
Issued	1,353,000	3.68
Cancelled	(80,000)	12.50
Balance, July 31, 2023	1,360,500	\$ 3.67

As at July 31, 2023, the Company's outstanding stock options expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding	Exercisable
March 24, 2025	1.65	6.62	80,000	80,000
July 26, 2026	2.96	3.49	1,273,000	1,273,000
September 27, 2027	4.16	2.50	7,500	3,750
	2.89	3.67	1,360,500	1,356,750

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of stock options issued was calculated using the following weighted average assumptions:

	Nine months ended July 31, 2023	Year ended October 31, 2022
Risk-free interest rate	4.33	1.76%
Expected option life in years	3 years	5 years
Expected share price volatility*	100%	100%
Expected forfeiture rate	-	-
Expected dividend yield	-	-

*As the Company does not have enough history of trading prices, the annualized volatility was determined using the volatility of comparable companies.

During the nine months ended July 31, 2023, the Company recorded \$263,053 (2022 - \$316,090) in share based compensation for vested stock options.

BLENDER BITES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
July 31, 2023
(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the nine months ended July 31, 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2021	1,808,727	\$ 5.51
Consolidation adjustment	6	-
Exercised	(298,846)	2.48
Balance, October 31, 2022	1,509,887	6.08
Issued	870,886	5.26
Exercised	(106,250)	4.02
Expired	(1,143,750)	4.02
Balance, July 31, 2023	1,130,773	\$ 7.73

As at July 31, 2023, the Company's outstanding share purchase warrants expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding and Exercisable
August 31, 2023	0.08	16.00	17,099
September 20, 2023	0.14	16.00	242,788
June 22, 2026	2.90	4.55	221,536
March 7, 2028	4.61	5.50	238,500
March 17, 2028	4.63	5.50	410,850
	3.25	7.73	1,130,773

The weighted average share price on the date warrants were exercised was \$5.41 (2022 – \$1.01).

e) Agent Warrants

The table below summarizes the information on the outstanding agent warrant of the Company for the nine months ended July 31, 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2022 and 2021	-	\$ -
Issued	31,015	\$ 3.50
Balance, July 31, 2023	31,015	\$ 3.50

The following agent warrants were outstanding and exercisable at July 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding and Exercisable
June 22, 2025	1.90	\$3.50	31,015

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9. SHARE CAPITAL (continued)

f) Escrow shares

628,135 shares were placed into escrow. Under the escrow agreement, 10% of the shares were released on September 20, 2021, the listing date on CSE, and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. As at July 31, 2023, 282,661 (2021 – 565,321) shares were in escrow.

g) Restricted share units

On December 13, 2022, the Company issued 795,000 Restricted Share Units (“RSUs”) to certain directors, officers, and consultants of the Company pursuant to the Company’s 25% rolling equity incentive plan. On April 13, 2023, the 795,000 RSUs vested and were issued as common shares.

On March 24, 2023, the Company issued 20,000 RSUs to a consultant of the Company. The RSUs vest on July 24, 2023; however, were not issued pursuant to agreement with the consultant.

On May 11, 2023, the Company issued 160,000 RSUs to a consultant of the Company with the following vesting terms: 53,334 RSUs will vest four months and one day from the date of grant, a further 53,333 RSUs will vest after 12 months, and the balance will vest after 24 months. On September 12, 2023, 53,334 RSUs vested and were issued as common shares.

BLENDER BITES LIMITED
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July 31, 2023

(Unaudited - Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise described in these financial statements are shown below. The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, for the periods ended July 31, 2023 and 2022 are as follows:

	For the nine months ended July 31,	
	2023	2022
Key Management Compensation		
Management fees and wages and benefits	\$ 180,000	\$ 270,000
	\$ 180,000	\$ 270,000

Accounts payable and accrued liabilities at July 31, 2023 includes \$65,000 (2022 - \$Nil) owing to a Company controlled by the CEO, \$40,535 (2022 - \$60,285) owing to a director and a company controlled by the CFO of the Company, and \$45 (2022 - \$Nil) owing to the CEO. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The Company entered into employment agreement with the CEO of the Company effective September 20, 2021 and will continue indefinitely until it is terminated. The base salary is \$240,000 on an annual basis. The CEO is entitled to performance bonuses based on meeting certain gross revenue thresholds. In the case of termination without cause or change of control, the CEO is entitled to an amount equal to two times of the sum of the annual base salary and bonus in lieu of notice.

In accordance with the performance bonuses per the employment agreement with the CEO, the Company has completed the issuance of 25,000 common shares pursuant to the fulfilment of the first aggregate revenue target.

11. OPERATING SEGMENTS

As of July 31, 2023 and October 31, 2022, the Company is operating its business in one reportable segment: the sale of functional frozen beverages. All non-current assets are located in Canada. During the period ended July 31, 2023, the Company had sales of \$1,871,802 in Canada (October 31, 2022 – \$3,141,112) and sales of \$63,186 (October 31, 2022 - \$704,097) in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company's revenues. For the periods ended July 31, 2023 and October 31, 2022, the following revenue was recorded from major customers comprising 92% (2022 – 96%) of gross revenues:

	For the nine months ended July 31, 2023	For the year ended October 31, 2022
Customer A	\$ 501,891	\$ 3,083,163
Customer B	\$ 1,285,704	\$ 593,870

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12. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and promissory notes approximate their fair values due to their short-term nature.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its receivables. The Company's cash is held at a large Canadian financial institution. At July 31, 2023, \$964,965 of amounts receivable is related to amounts collectible from customers. The remaining amounts receivable balance of \$283,175 primarily consist of refundable government goods and services tax.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at July 31, 2023, the Company has a working capital of \$1,565,167.

Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at July 31, 2023. Interest rate risk is minimal as promissory notes have a fixed interest rate.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

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13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company 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 considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto. There were no changes to the Company's approach to capital management during the nine months ended July 31, 2023.

14. SUBSEQUENT EVENTS

On August 31, 2023, 17,099 warrants with an exercise price of \$16.00 expired unexercised.

On September 11, 2023, the Company closed the first tranche of a private placement for 276,867 units at a price of \$3.00 per unit for gross proceeds of \$830,601. Each unit is comprised of one common share and one warrant, with each warrant exercisable at \$3.30 and expiring on September 11, 2028. In accordance with the transaction, the Company paid cash finder's fees of \$29,442 and issued 5,537 common shares with a fair value of \$16,666 as administrative fees to a third-party.

In connection with the transaction, the Company also issued 9,814 agent warrants with an exercise price of \$3.30 and expiring on September 11, 2028.

On September 12, 2023, the Company issued 53,334 common shares pursuant to the vesting of RSUs granted on May 11, 2023.

On September 20, 2023, 242,788 warrants with an exercise price of \$16.00 expired unexercised.