

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

December 31, 2023 and 2022

Britannia Life Sciences Inc.

Responsibility for Condensed Interim Consolidated Financial Statements

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

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 interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying financial statements of the Company have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditor.

/s/ Peter Shippen
Chief Executive Officer
February 29, 2024

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars
(Unaudited)

	Note	December 31, 2023	March 31, 2023
		\$	\$
Assets			
Current assets:			
Cash		1,716,092	2,598,273
Accounts receivable		1,301,052	1,597,233
Inventory		55,102	-
Prepaid expenses		12,767	23,441
Total current assets		3,085,013	4,218,947
Non-current assets:			
Property and equipment	4	610,889	452,382
Investment	6(b)	1,553,904	1,269,809
Goodwill and intangible assets	5	17,714,175	17,607,288
Total non-current assets		19,878,968	19,329,479
Total assets		22,963,981	23,548,426
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	16	3,587,763	2,552,519
Current portion of GLL loan payable	7	1,770,318	1,744,878
Current portion of lease liability	8	43,030	56,170
Director's loan	10	120,000	120,000
Other debt	11	126,337	124,373
Total current liabilities		5,647,448	4,597,940
Non-current liabilities:			
GLL Loan payable	7	5,171,777	6,285,189
Put option liability	6(a)(c)	95,361	1,419,711
Lease liability	8	45,055	77,686
Deferred income taxes		104,609	103,919
Warrant liability	9	-	2,043
Total non-current liabilities		5,416,802	7,888,549
Total liabilities		11,064,250	12,486,488
Shareholders' equity:			
Share capital	12	17,107,347	17,107,347
Contributed surplus	12	3,241,867	157,101
Non-controlling interest		3,985,969	4,038,674
Warrant reserve	12	-	1,270,742
Options reserve	12	-	1,587,522
Accumulated other comprehensive loss		(981,118)	(1,157,102)
Accumulated deficit		(11,454,334)	(11,942,346)
Total shareholders' equity		11,899,731	11,061,938
Total liabilities and shareholders' equity		22,963,981	23,548,426

These consolidated interim financial statements were approved for issue on February 29, 2024 by the board of directors on its behalf by:

"Peter Shippen"

"Greg Taylor"

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the Three and Nine Months Ended December 31, 2023 and December 31, 2022

Expressed in Canadian Dollars

(Unaudited)

Periods ended December 31,		Three months		Nine months	
		2023	2022	2023	2022
		\$	\$	\$	\$
Product sales and other income		1,810,889	1,652,740	5,838,287	4,757,038
Cost of sales		603,870	419,623	1,678,760	1,219,440
Gross profit		1,207,019	1,233,117	4,159,527	3,537,598
Expenses					
Selling, general and administration	14	1,130,863	643,279	2,974,927	1,858,300
Finance		261,108	5,840	805,103	19,141
Share-based compensation	10, 12	43,096	222,571	226,502	960,797
		1,435,067	871,690	4,006,532	2,838,238
Income from operations		(228,048)	361,427	152,995	699,360
Other income (expense)					
Change in fair value of put option liability	6(a)(c)	442,043	179,802	1,350,976	1,609,774
Change in fair value of warrant liability	9	-	161,199	2,043	2,431,127
Accretion expense	7, 11	(33,992)	(205,431)	(133,300)	(616,301)
Gain on dilution of Britannia Mining Solutions Inc.	6(b)	483,991	1,056,777	531,001	1,056,777
Share of income (loss) of Britannia Mining Solutions Inc.	6(b)	(202,966)	(86,496)	(187,603)	(86,537)
Foreign currency translation gain (loss)		(82,316)	(1,280,791)	(210,001)	329,426
		606,760	(174,940)	1,353,116	4,724,266
Income (loss before income taxes)		378,712	186,487	1,506,111	5,423,626
Provision for (recovery of) income taxes					
Current income taxes		49,751	70,710	308,235	308,318
Deferred income taxes		9	(47)	25,800	(8,768)
Total income taxes		49,760	70,663	334,035	299,550
Net income (loss)		328,952	115,824	1,172,076	5,124,076
Other comprehensive loss					
Currency translation differences		169,752	2,287,423	161,547	(203,566)
Comprehensive income (loss) for the period		498,704	2,403,247	1,333,623	4,920,510
Net income (loss) for the period attributable to:					
Non-controlling interest		(206,364)	170,165	30,319	604,992
Equity shareholders of the Company		535,316	(54,341)	1,141,757	4,519,084
Total		328,952	115,824	1,172,076	5,124,076
Other comprehensive income (loss) for the period attributable to:					
Non-controlling interest		80,081	408,834	(14,437)	60,849
Currency translation differences		89,671	1,878,589	175,984	(264,415)
Total		169,752	2,287,423	161,547	(203,566)
Basic and diluted weighted average shares outstanding	13	162,254,339	162,204,612	162,254,339	162,104,886
Basic and diluted gain (loss) per share		0.00	0.00	0.01	0.03

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity For the Nine Months Ended December 31, 2023 and 2022

Expressed in Canadian Dollars

(Unaudited)

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Options reserve	Accumulated Deficit	Accumulated other comprehensive loss s	Equity (deficiency) attributable to shareholders of the Company	Non- controlling interest	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at March 31, 2022	161,904,339	17,068,847	157,101	1,270,742	536,524	(16,197,383)	(1,483,347)	1,352,484	4,130,501	5,482,985
Equity issued for advisory services	350,000	38,500	-	-	-	-	-	38,500	-	38,500
Options issued	-	-	-	-	960,797	-	-	960,797	-	960,797
Net income for the period	-	-	-	-	-	4,519,084	-	4,519,084	604,992	5,124,076
Acquisition of non-controlling interest	-	-	-	-	-	(828,847)	-	(828,847)	(1,032,625)	(1,861,472)
Other comprehensive loss for the period	-	-	-	-	-	-	(264,415)	(264,415)	60,849	(203,556)
Balance at December 31, 2022	162,254,339	17,107,347	157,101	1,270,742	1,497,321	(12,507,146)	(1,747,762)	5,777,603	3,763,717	9,541,320
Balance at March 31, 2023	162,254,339	17,107,347	157,101	1,270,742	1,587,522	(11,942,346)	(1,157,102)	7,023,264	4,038,674	11,061,938
Options issued (Note 12)	-	-	-	-	226,502	-	-	226,502	-	226,502
Warrants expired (Note 12)	-	-	1,270,742	(1,270,742)	-	-	-	-	-	-
Options expired (Note 12)	-	-	1,814,024	-	(1,814,024)	-	-	-	-	-
Acquisition of CosLab (Note 6(c))	-	-	-	-	-	-	-	-	200,658	200,658
Acquisition of non-controlling interest (Note 6(a))	-	-	-	-	-	(653,745)	-	(653,745)	(269,245)	(922,990)
Net income (loss) for the period	-	-	-	-	-	1,141,757	-	1,141,757	30,319	1,172,076
Other comprehensive income for the period	-	-	-	-	-	-	175,984	175,984	(14,437)	161,547
Balance at December 31, 2023	162,254,339	17,107,347	3,241,867	-	-	(11,454,334)	(981,118)	7,913,762	3,985,969	11,899,731

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars, except per share amounts)

		2023	2022
		\$	\$
OPERATING ACTIVITIES			
Net Income		1,172,076	5,124,076
Adjustments for items not involving cash			
Depreciation and amortization	4, 5	204,355	156,766
Share-based payments	10,12	226,502	960,797
Interest on lease liability	8	13,268	19,141
Provision for doubtful accounts		168,370	-
Inventory adjustment to fair value		252,555	-
Foreign currency translation gain		114,406	(287,322)
Change in fair value of put option liabilities	6(a)(c)	(1,350,976)	(1,609,774)
Change in fair value of warrant liability	9	(2,043)	(2,431,127)
Accretion expense	7,11	133,300	616,301
Gain on dilution of Britannia Mining Solutions Inc.	6(b)	(531,001)	(1,056,777)
Share of income (loss) of Britannia Mining Solutions Inc.	6(b)	187,603	86,537
Elimination of associate's management fee	6(b)	59,303	-
Deferred income tax		25,800	(8,769)
		673,518	1,569,850
Changes in non-cash working capital items			
Accounts receivable		466,453	(142,523)
Prepaid expenses		10,674	41,437
Inventory		(117,118)	-
Accounts payable and accrued liabilities		739,025	91,439
Net changes in non-cash working capital items		1,099,034	(9,647)
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,772,552	1,560,203
INVESTING ACTIVITIES			
Acquisition of minority interest	6(a)	(938,735)	-
Cash acquired on acquisition	6(c)	(164,647)	(2,982,066)
Acquisition of equipment	4	(124,033)	(37,741)
Acquisition of intangibles	5	(36,245)	(212,976)
NET CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		(1,263,660)	(3,232,783)
FINANCING ACTIVITIES			
Principal payments on GLL financing	7	(1,350,844)	(540,914)
Lease payments	8	(60,104)	(48,906)
Principal and interest payment on Sellers' loan	7	-	(4,959,276)
Proceeds on loan financing		-	7,956,453
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(1,410,948)	2,407,357
Effect of exchange rate changes on cash and cash equivalents		19,875	74,100
Increase (decrease) in cash and cash equivalents		(882,181)	808,877
Cash and cash equivalents at beginning of the period		2,598,273	1,631,127
Cash and cash equivalents at end of the period		1,716,092	2,440,004

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

Britannia Life Sciences Inc.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2023

(Expressed in Canadian Dollars, except per share amounts)

1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or "Britannia") (together with its subsidiaries, the "Company") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of the Company's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE). The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

2. Basis of Preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC").

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 29, 2024.

(b) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries BBCH, Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. dba Cultivate Kind, Life Bloom Organics, LLC, Advanced Development and Safety Laboratories Ltd. ("ADSL") of which Company owns 72% and Cosmetic Labs Limited (CosLab) of which the Company owns 51% (the "Group"). BBCL, ADSL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
Britannia Bud Canada Holdings Inc.	Ontario, Canada	100%
Britannia Bud Company Limited	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
Rise Life Science (Colorado), LLC	Colorado, United States	100%
Brand Max, Inc. dba Cultivate Kind	California, United States	100%
Life Bloom Organics, LLC	Delaware, United States	100%
Advanced Development & Safety Laboratories Ltd.	United Kingdom	72%
Cosmetic Labs Limited	United Kingdom	51%

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BLS. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. BLS controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Changes in the BLS's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the BLS's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's

Britannia Life Sciences Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, except per share amounts)

accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between BLS and its subsidiaries are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(c) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(d) Functional and presentation currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency and the overall presentation currency. The Company's U.K. operations have a functional currency of UK pounds sterling. The Company's US operations have a functional currency of USD. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) Use of significant estimates and judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These condensed interim consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompany condensed interim consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The determination of fair values to the net identifiable assets acquired in business acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The assessment of fair values includes estimates and assumptions, discount rates, future operating performance and capital requirements. These estimates and assumptions are based on industry and historical practices as well as future expectations. Changes to these estimates or assumptions could impact the impairment analysis of goodwill.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the condensed interim consolidated financial statements:

- The measurement and period of use of intangible assets including patents and trademarks
- The measurement and period of use of property and equipment
- The assumptions used to value the right-of-use asset and associated lease obligation upon the adoption of the lease standard under IFRS 16, Leases
- The assumptions used to determine the incremental borrowing rate
- The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition
- The assumptions used to value options and warrants issued
- The assessment of a cash-generating unit to which goodwill is allocated
- The assumptions used to estimate the carrying value of goodwill and intangible assets

Britannia Life Sciences Inc.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2023

(Expressed in Canadian Dollars, except per share amounts)

3. Material Accounting Policy Information

Except for the addition of the inventory policy below, these condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the Company's annual consolidated financial statements as at and for the year ended March 31, 2023.

Inventory

Inventory is measured at the lower of cost and net realizable value. The cost of inventories is determined on a first-in first-out basis, and includes expenditures incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing inventory to its existing location and condition. In the case of manufactured inventory and work-in process, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

For inventory acquired in a business acquisition, the fair value is determined based on the estimated selling price in the common course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

4. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	\$	\$	\$	\$
Cost				
Balance, March 31, 2022	532,299	29,146	195,091	756,536
Additions	49,425	5,883	-	55,308
Effect of foreign exchange	10,019	549	9,827	20,395
Balance, March 31, 2023	591,743	35,578	204,918	832,239
Additions	295,820	14,663	-	310,483
Effect of foreign exchange	4,428	255	(2,110)	2,573
Balance, December 31, 2023	891,991	50,496	202,808	1,145,295
Depreciation				
Balance, March 31, 2022	150,167	7,795	52,778	210,740
Depreciation	103,826	6,515	45,430	155,771
Effect of foreign exchange	3,792	178	9,376	13,346
Balance, March 31, 2023	257,785	14,488	107,584	379,857
Depreciation	110,769	7,823	36,118	154,710
Effect of foreign exchange	2,603	128	(2,892)	(161)
Balance, December 31, 2023	371,157	22,439	140,810	534,406
Net book value, March 31, 2023	333,958	21,090	97,334	452,382
Net book value, December 31, 2023	520,834	28,057	61,998	610,889

Britannia Life Sciences Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, except per share amounts)

5. Goodwill and intangible assets

	Website	Goodwill	Total
	\$	\$	\$
Cost			
Balance March 31, 2022	4,690	17,057,814	17,062,504
Additions	286,992	-	286,992
Effect of foreign exchange	14,076	321,061	335,137
Balance, March 31, 2023	305,758	17,378,875	17,684,633
Additions	33,971	2,274	36,245
Effect of foreign exchange	2,030	118,711	120,741
Balance, December 31, 2023	341,759	17,499,860	17,841,619
Amortization			
Balance, March 31, 2022	3,019	-	3,019
Amortization	70,897	-	70,897
Effect of foreign exchange	3,429	-	3,429
Balance, March 31, 2023	77,345	-	77,345
Amortization	49,645	-	49,645
Effect of foreign exchange	454	-	454
Balance, December 31, 2023	127,444	-	127,444
Net book value, March 31, 2023	228,413	17,378,875	17,607,288
Net book value, December 31, 2023	214,315	17,499,860	17,714,175

6. Business Developments

a) Advanced Development & Safety Laboratories Ltd.

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "Sellers") and BBCH entered into a share purchase agreement dated March 10, 2020, wherein the Company acquired 60% of the issued share capital of ADSL (the "ADSL Acquisition"). Completion payments in relation to the ADSL Acquisition were made on February 9, 2021 (the "Completion Date"). The ADSL Acquisition consideration included a cash payment of \$5,278,445 (GBP 3,008,819), a loan payable to the Sellers of \$7,819,478 (GBP 4,456,813), and a loan payable to ADSL of \$6,551,624 (GBP 3,734,183).

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Completion Date, the Company has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date the Company has not acquired all the ADSL shares, the Sellers have the right to require the Company to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for ADSL.

At the close of the ADSL Acquisition, the value of the Put Liability was determined to be \$2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the put liability was remeasured to \$4,495,033 (GBP 2,738,035), generating a loss on the change in fair value of the put liability for the year ended March 31, 2022 of \$2,059,933.

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL (the "Subsequent ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Subsequent ADSL Acquisition (CAD: \$2,982,066).

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(Expressed in Canadian Dollars, except per share amounts)

The put liability was reduced accordingly and an adjustment has been made to non-controlling interest to reflect the change in ownership post transaction and on March 31, 2023.

	\$
Cash payment to minority shareholders	2,982,066
Reduction in put liability	(1,120,594)
Reduction in non-controlling interest	(1,032,625)
Equity adjustment	828,847

On November 22, 2023, the Company acquired an additional 2% of the outstanding issued share capital of ADSL (the "2023 Subsequent ADSL Acquisition"). A cash payment of GBP 545,023 was paid as consideration for the 2023 Subsequent ADSL Acquisition (CAD: \$938,735).

The put liability has been reduced accordingly and an adjustment has been made to non-controlling interest to reflect the change in ownership post transaction and on December 31, 2023.

	\$
Cash payment to minority shareholders	938,735
Reduction in put liability	(15,745)
Reduction in non-controlling interest	(269,245)
Equity adjustment	653,745

As at December 31, 2023, the fair value of the put liability was remeasured to \$49,703 (GBP 29,520), generating a gain on the change in the fair value of the put liability for the three and nine months ended December 31, 2023 of \$445,330 and \$1,354,263 respectively (2022: \$179,802 and \$1,609,774).

b) Britannia Mining Solutions Inc.

On February 18, 2022, the Company incorporated BMS, a company domiciled and incorporated in Canada under the laws of the Province of Ontario, as a new subsidiary to address the global backlog in mining assays. In establishing the business, BMS issued 500,000 BMS common shares at \$0.001 per BMS common share to the Company. On March 4, 2022, BMS completed a non-brokered private placement of 500,000 of its common shares at \$1.00 per common share for gross proceeds of \$500,000 after which the Company owned 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. During the year ended March 31, 2023 BMS issued 309,000 BMS common shares at \$10.00 per share and during the nine months ended December 31, 2023, BMS issued 239,000 BMS common shares at \$10.00 per share after which the Company owns 33% of the outstanding share capital of BMS. The Chief Executive Officer of the Company is both the Chief Executive Officer and sole director of BMS. The BMS by-laws state that both the officers and the directors of BMS are elected by the shareholders, accordingly the investment does not meet the definition of control for the purpose of consolidation.

The continuity of the investment in BMS is as follows:

	\$
Balance as at March 31, 2023	1,269,809
Gain on dilution after equity issuances	531,001
Elimination of associate's management fee	(59,303)
Share of income (loss) of BMS	(187,603)
Balance as at December 31, 2023	1,553,904

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c) Cosmetics Lab Limited ("CosLab")

On June 6, 2023 the Company acquired a 51% interest in CosLab, a Southern England-based manufacturer of cosmetic products. A cash payment of GBP 100,000 was paid as consideration for the shares (CAD: \$168,750).

The acquisition has been accounted for using the acquisition method with the results of the operations of CosLab being included in the condensed interim consolidated financial statements from the date of acquisition. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for the business combination. Accordingly, the accounting for the CosLab acquisition has been completed using provisional amounts within these condensed interim consolidated financial statements.

The following table summarizes the purchase price of the acquisition, the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

	\$
	Fair value recognized on acquisition
<u>Assets acquired</u>	
Cash and cash equivalents	4,103
Accounts receivable	338,642
Inventory	190,539
Property and equipment	172,444
	<u>705,728</u>
<u>Liabilities assumed</u>	
Accounts payable and accrued liabilities	(296,222)
	<u>(296,222)</u>
Net identifiable assets at fair value	409,506
Non-controlling interest measured at fair value (49%)	(200,658)
CosLab put liability	(42,372)
Goodwill	2,274
Total consideration	<u>168,750</u>

Pursuant to the terms of the CosLab acquisition, the minority shareholder of CosLab has the right to require the Company to purchase the shares of CosLab it does not yet own (the "CosLab Put Liability"). The total consideration payable for the additional shares ("CosLab Put Shares") upon exercise of the CosLab Put Liability and the closing of the Company's acquisition of the CosLab Put Shares would be equal to the total equity value of the CosLab Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for CosLab.

The fair value of the CosLab Put Liability at the close of the CosLab acquisition was determined to be \$42,372 (GBP 25,109), representing the difference between the market price and the contract value of the CosLab Put Liability, discounted at a rate of 0.36% per annum and assuming the transaction would take place on June 1, 2028.

As at December 31, 2023, the CosLab Put Liability was remeasured to its fair value of \$45,659 (GBP 27,118), assuming the transaction would take place on June 1, 2029 and therefore generating a loss on the change in the fair value of the CosLab Put Liability for the nine months ended December 31, 2023 of \$3,287.

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7. GLL Loan Payable

On April 7, 2022, the Company completed a debt financing arrangement with Growth Lending 2021 Limited ("GLL") that was used to repay the Sellers' loan in full and acquire an additional 10% of ADSL's share capital (see Note 6(a)). The total loan principal value is \$8,222,500 (GBP 5,000,000) with a termination date of April 6, 2027. The Company incurred loan related fees of \$281,158 and a non-cash fee of \$38,500. The net proceeds of the loan are being accreted to the amount payable on maturity over the term. As security the Company pledged the share capital it holds in ADSL and a debenture has been issued between GLL and each of BBCL and ADSL. Interest is payable monthly in advance from inception of the loan and is calculated monthly based on the capital outstanding at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average). Principal repayments began in April 2023 with equal monthly instalments of principal and interest from then until April 2027. In the three- and nine-month period ended December 31, 2023 the Company made \$460,974 and \$1,350,844 (GBP: 272,750 and 799,269) of principal payments in relation to the GLL loan respectively (2022: nil).

8. Lease Liability

	\$
Balance as at March 31, 2022	181,693
Lease payments	(73,542)
Lease interest	24,681
Effect of foreign exchange	1,024
Balance as at March 31, 2023	133,856
Lease payments	(60,104)
Lease interest	13,268
Effect of foreign exchange	1,065
Balance as at December 31, 2023	88,085
Current	43,030
Non-current	45,055
Balance as at December 31, 2023	88,085

9. Warrant Liabilities

Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The Brokers' Warrants expired unexercised on July 14, 2023. The fair value of the warrant liability for the three and nine-month period ending December 31, 2023 has been adjusted to \$nil (March 31, 2023: \$2,043).

Changes in the number of these warrants outstanding during the period ended December 31, 2023 are as follows:

	Warrants	Amount	Weighted Average Exercise Price
		\$	\$
Balance, March 31, 2023	10,885,440	2,043	0.21
Expired	(10,885,440)	-	0.21
Change in fair value	-	(2,043)	-
Balance, December 31, 2023	-	-	-
Weighted average remaining contractual life (years)			-

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10. Related Party Transactions and Balances

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Share based compensation	43,096	222,571	226,502	960,797
Salaries, fees and short term benefits	294,238	262,823	591,478	550,611
	337,334	485,394	817,980	1,511,408

As at December 31, 2023, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of \$545,983 (2022: \$436,626).

Director's loan

During the year ended March 31, 2022 a director extended a loan of \$120,000 to the Company to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand and remains outstanding at December 31, 2023.

11. Other Debt

The continuity of other debt is as follows:

	Note Payable (a)	CEBA Loan (b)	Total
	\$	\$	\$
As at March 31, 2023	86,337	38,036	124,373
Accretion expense	-	1,964	1,964
Balance, December 31, 2023	86,337	40,000	126,337

(a) Note Payable

On July 31, 2016, a private lender subscribed to a secured convertible note issued by RISE in the amount of \$50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note was convertible at \$0.20 per common share. Total interest payable at December 31, 2023 is \$36,337 (March 31, 2023: \$36,337). As of December 31, 2023, the note and accrued interest are still outstanding.

(b) CEBA Loan

On April 15, 2020 and February 2, 2021, RISE obtained \$40,000 and \$20,000, respectively, from the Government of Canada under the Canada Emergency Business Account ("CEBA") COVID-19 Economic Response Plan. Effective January 18, 2024, any outstanding balance is to bear interest at a rate of 5% per annum. The CEBA loan matures on December 31, 2025. If \$40,000 of the outstanding balance is repaid on or before January 18, 2024, the remaining \$20,000 is to be forgiven. The Company has used a 5% per annum discount rate to determine the fair value of the interest-free period. This amount is being accreted to the amount anticipated to be payable at January 18, 2024 of \$40,000. The Company repaid \$40,000 on January 18, 2024.

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12. Share Capital

Authorized

The Company has an unlimited number of authorized voting common shares (the "Common Shares").

Issued

The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	\$	\$	\$
As at December 31, 2023	162,254,339	17,107,347	-	17,107,347

18,734,158 common shares are held in escrow as at December 31, 2023 (2022: 37,468,858).

Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The brokers' common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these brokers' common share purchase warrants do not meet the fixed- for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS. On July 14, 2023, the Brokers' Warrants expired unexercised (Note 9).

Warrants

On May 12, 2023 the Company's equity warrants expired unexercised. The continuity of the outstanding equity warrants is as follows:

	Number of Warrants	Weighted average exercise price
		\$
As at March 31, 2023	10,281,940	0.25
Expired	(10,281,940)	0.25
Outstanding as at December 31, 2023	-	-

Options

The Company has a stock option plan with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time. The options under this plan expired unexercised on November 12, 2023.

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Changes to the number of options outstanding for the nine months ended December 31, 2023 are as follows:

	Options	Weighted average exercise price \$
As at March 31, 2023	13,370,000	0.22
Expired as at December 31, 2023	(13,370,000)	0.22
Outstanding as at December 31, 2023	-	-
Exercisable as at December 31, 2023	-	-

The Company recognized share-based payment related to the issuance of stock options for the three and nine months ended December 31, 2023 of \$43,096 and \$226,502 (December 31 2022: \$222,572 and \$960,797).

13. Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The Company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

14. Selling, general and administrative expense

Included in selling, general, and administrative expense for the three and nine months ended December 31, 2023 and 2022 are the following:

	For the three months ending December 31,		For the nine months ending December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Pay, consulting and benefits	476,666	389,301	1,291,526	922,459
Office and general	561,347	165,269	1,288,356	393,860
Professional fees expense	12,205	25,369	157,481	355,179
Amortization and depreciation	67,992	56,943	204,355	156,766
Travel and other	12,653	6,397	33,209	30,036
	1,130,863	643,279	2,974,927	1,858,300

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15. Contingencies

From time to time the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

16. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	December 31, 2023	March 31, 2023
	\$	\$
FVTPL, measured at fair value:		
Cash	1,716,092	2,598,273
Warrant liability	-	2,043
Put option liabilities	95,361	1,419,711
Financial assets, measured at amortized cost:		
Accounts receivable	1,301,052	1,597,233
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	3,116,682	2,224,014
GLL loan payable	6,942,095	8,030,067
Director's loan	120,000	120,000
Lease liability	88,085	133,856
Other debt	126,337	124,373

The carrying value of the Company's financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	1,716,092	-	-	1,716,092
As at December 31, 2023	1,716,092	-	-	1,716,092
Financial liabilities				
Put option liability	-	95,361	-	95,361
As at December 31, 2023	-	95,361	-	95,361

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The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by board of directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the period ended December 31, 2023. Further there was no transfer out of level 3 measurements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at December 31, 2023 and March 31, 2023 based on undiscounted contractual cash flows:

	Payment due by period				Total
	< 1 year	2 - 3 years	4 - 5 years		
Accounts payable and accrued liabilities	\$ 3,587,763	\$ -	\$ -	\$ 3,587,763	
Lease liability	53,457	51,669	-	105,126	
GLL loan	1,889,926	4,660,825	521,959	7,072,770	
Director's loan	120,000	-	-	120,000	
Other debt	126,337	-	-	126,337	
December 31, 2023	\$ 5,777,483	\$ 4,712,554	\$ 521,959	\$ 11,011,996	

	Payment due by period				Total
	< 1 year	2 - 3 years	4 - 5 years		
Accounts payable and accrued liabilities	\$ 2,224,014	\$ -	\$ -	\$ 2,224,014	
Lease liability	72,549	78,612	12,754	163,915	
GLL loan	1,803,979	4,162,849	2,396,172	8,363,000	
Director's loan	120,000	-	-	120,000	
Other debt	38,036	86,337	-	124,373	
March 31, 2023	\$ 4,258,578	\$ 4,327,798	\$ 2,408,926	\$ 10,995,302	

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Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at December 31, 2023, the Company had the following financial instruments denominated in foreign currencies:

	Denominated in:	GBP
Warrant liability		-
Put liability		29,520
CosLab Put Liability		27,118
		56,638
Foreign currency rate		1.6837
Equivalent in Canadian dollars		95,361

Based on the above net exposure and assuming that all other variables remain constant, a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by \$9,536.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to fair value risk with respect to the GLL loan payable, which bears interest at the higher of 9.5% per annum and 8.5% per annum plus SONIA (Sterling Over Night Indexed Average).