Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

March 31, 2024 and 2023

Responsibility for 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.

A firm of independent Chartered Professional Accountants, Zeifmans LLP, appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provided an independent professional opinion on the consolidated financial statements.

/s/ Peter Shippen
Chief Executive Officer
August 28, 2024

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Britannia Life Sciences Inc.

Opinion

We have audited the consolidated financial statements of Britannia Life Sciences Inc. and its subsidiaries (together, the "Group"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 of the consolidated financial statements which indicates that for the year ended March 31, 2024 the Group incurred a net loss of $4,398,484 and as at March 31, 2024 the Group has an accumulated deficit of $17,363,899 and a working capital deficiency of $7,773,165. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Zeifmans

Key audit matter description	How our audit addressed the key audit matter
Assessment of Impairment of Goodwill and Purchase Commitment for **Advanced Development and Safety Laboratories Ltd. (“ADSL”)** ***Refer to note 3 – Material Accounting Policy Information, note 5 – Goodwill and Intangible assets and note 6 – Business Developments.*** In accordance with IAS 36, Impairment of Assets, management is required to test goodwill for impairment annually, or when the facts and circumstances suggest that goodwill may be impaired. Goodwill arising from business combinations is allocated to each of the Group’s cash-generating units (“CGUs”) that are expected to benefit from the synergies of the combination. The recoverable amount of the CGU to which the goodwill has been allocated is tested for impairment at the same time every year. As at March 31, 2024, the Group had goodwill of $17,782,021. The annual impairment test was performed as of March 31, 2024, an no impairment was recognized. For the purpose of the impairment test, the recoverable amount of the Group’s CGU was determined by management based on an assessment of its value in use following a discounted cash flow approach over a period of five years and applying a terminal value for subsequent years. Management made certain assumptions in determining the recoverable amount based on its internally approved budgets and include management’s best estimate of expected market conditions. The estimate of the recoverable amount is inherently uncertain and could materially change over time as a result of changes to the key assumptions estimated by management such as revenue growth rate, discount rate, terminal growth rate, costs, future tax, risk premiums applicable to the CGU’s operations and future capital expenditure. In addition, the Group is committed to acquiring the shares of ADSL that they do not currently own for $10,333,463, an amount that exceeds the fair value of those shares of $5,059,056, thus rendering the commitment onerous. A provision for the onerous commitment of $5,274,407 has been recorded as of March 31, 2024. We considered this a key audit matter due to the subjectivity and complexity in performing procedures to test the key assumptions used by management in determining the recoverable amount of the Group’s CGU, which involved significant judgment from management.	Our approach to addressing this matter included the following procedures, among others: • We evaluated the appropriateness of the value-in-use method and discounted cash flow forecast models; • We reviewed the controls and methodology used to develop information for assessing the recoverable amount including the risk assessment process, and the nature and extent of oversight and governance over financial reporting; • We evaluated the assumptions applied to key inputs, such as forecasted revenues, gross margin, operating expenses, long-term growth rates and discount rates used by management in the discounted cash flow forecast models and value-in-use determination; • We performed a retrospective review to compare management’s assumptions in the prior year’s expected future cash flows to the actual results to assess the Group’s forecasting process; • We tested the mathematical accuracy of management’s impairment model and supporting calculations; • With the assistance of a valuation specialist, we evaluated the reasonableness of the Group’s impairment model and the discount rates by comparing the Group’s weighted average cost of capital against publicly available market data and we assessed the fair value of the shares of ADSL that the Group is committed to purchase; • We performed a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; and • We assessed the appropriateness of the disclosure of the assumptions used in the impairment in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis ("MD&A") but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the MD&A, identified above and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditors' report. If based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

Zeifmans LLP

Toronto, Ontario
August 28, 2024

Chartered Professional Accountants
Licensed Public Accountants

Britannia Life Sciences Inc.

Consolidated Statements of Financial Position

As at March 31, 2024 and 2023
Expressed in Canadian Dollars

	Note	March 31, 2024	March 31, 2023
		$	$
Assets			
Current assets:			
Cash		1,322,584	2,598,273
Accounts receivable		1,208,975	1,597,233
Inventory		184,364	-
Prepaid expenses		12,767	23,441
Total current assets		2,728,690	4,218,947
Non-current assets:			
Property and equipment	4	721,278	452,382
Investment	6(b)	731,204	1,269,809
Goodwill and intangible assets	5	18,080,656	17,607,288
Total non-current assets		19,533,138	19,329,479
Total assets		**22,261,828**	**23,548,426**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	18	3,000,157	2,552,518
Purchase commitment provision	6(a)	5,274,407	-
Current portion of GLL loan payable	7	1,865,085	1,744,878
Current portion of lease liability	8	111,721	56,170
Director's loan	10	147,034	120,000
Other debt	12	103,451	124,373
Total current liabilities		10,501,855	4,597,939
Non-current liabilities:			
Lease liability	8	298,431	77,687
Warrant liability	9	-	2,043
Put option liability	6(a)	-	1,419,711
GLL loan payable	7	4,749,467	6,285,189
Other debt	12	12,230	-
Deferred income taxes	11	29,317	103,919
Total non-current liabilities		5,089,445	7,888,549
Total liabilities		**15,591,300**	**12,486,488**
Shareholders' equity:			
Share capital	13	17,107,347	17,107,347
Contributed surplus	13	3,409,434	157,101
Non-controlling interest		4,232,707	4,038,674
Warrant reserve	13	-	1,270,742
Options reserve	13	-	1,587,522
Accumulated other comprehensive loss		(715,061)	(1,157,102)
Accumulated deficit		(17,363,899)	(11,942,346)
Total shareholders' equity		6,670,528	11,061,938
Total liabilities and shareholders' equity		**22,261,828**	**23,548,426**

Going concern (note 1) *ADSL acquisition commitment (note 6(a))* *Contingencies (note 17)* *Subsequent events (note 19)*

These consolidated financial statements were approved for issue on August 28, 2024 by the board of directors and signed on its behalf by:

"Peter Shippen" *"Greg Taylor"*

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

Britannia Life Sciences Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Years Ended March 31, 2024 and March 31, 2023
Expressed in Canadian Dollars

	Note	2024	2023
		$	$
Product sales and other income	15	7,569,198	6,403,894
Cost of sales		2,716,088	1,765,720
Gross margin		4,853,110	4,638,174
Expenses			
Selling, general and administration	16	3,339,349	2,593,085
Finance	6(a), 8	1,114,260	816,347
Share based compensation	10	226,502	1,050,998
		4,680,111	4,460,430
Income from operations before undernoted items		172,999	177,744
Other income (expense)			
Change in fair value of warrant liability	9,13	2,043	2,456,228
Change in fair value of put option liability	6(a)	1,449,326	1,954,727
Purchase commitment provision	6(a)	(5,274,407)	-
Gain on dilution in Britannia Mining Solutions Inc. (“BMS”)	6(b)	465,811	1,387,010
Goodwill impairment - CosLab	6(c)	(39,704)	-
Share of net loss of BMS	6(b)	(959,163)	(18,334)
Accretion expense	7, 12	(169,548)	(37,444)
Foreign currency translation loss		(113,196)	(61,881)
		(4,638,838)	5,680,306
Income (loss) before income tax		(4,465,839)	5,858,050
Current income tax expense (recovery)	11	-	(5,669)
Deferred income tax expense (recovery)	11	(67,355)	25,533
Total income tax		(67,355)	19,864
Net income (loss)		(4,398,484)	5,838,186
Other comprehensive income			
Currency translation differences		503,466	512,741
Share of other comprehensive income of BMS		32,529	-
		535,995	512,741
Comprehensive income (loss) for the year		(3,862,489)	6,350,927
Net income (loss) attributable to:			
Non-controlling interest		369,324	754,302
Equity shareholders of the Company		(4,767,808)	5,083,884
Net income (loss)		(4,398,484)	5,838,186
Other comprehensive income attributable to:			
Non-controlling interest		93,954	186,496
Equity shareholders of the Company		442,041	326,245
Other comprehensive income		535,995	512,741
Basic and diluted weighted average shares outstanding		162,254,339	162,141,839
Basic and diluted earnings (loss) per share		(0.03)	0.03

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

Britannia Life Sciences Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2024 and 2023

Expressed in Canadian Dollars

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Options reserve	Accumulated deficit	Accumulated other comprehensive loss	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 (Note 14)	350,000	38,500	-	-	-	-	-	38,500	-	38,500
Options issued (Note 14)	-	-	-	-	1,050,998	-	-	1,050,998	-	1,050,998
Acquisition of non-controlling interest (note 6(a))	-	-	-	-	-	(828,847)	-	(828,847)	(1,032,625)	(1,861,472)
Net income for the year	-	-	-	-	-	5,083,884	-	5,083,884	754,302	5,838,186
Other comprehensive income for the year	-	-	-	-	-	-	326,245	326,245	186,496	512,741
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
Options expired (Note 12)	-	-	1,814,024		(1,814,024)	-	-	-	-	-
Warrants expired	-	-	1,270,742	(1,270,742)	-			-	-	-
Acquisition of CosLab (Note 6(c))	-	-	167,567	-	-	-	-	167,567	-	167,567
Acquisition of non-controlling interest (Note 6(a))	-	-	-	-	-	(653,745)	-	(653,745)	(269,245)	(922,990)
Net income (loss) for the year	-	-	-	-	-	(4,767,808)	-	(4,735,279)	369,324	(4,398,484)
Other comprehensive income for the year	-	-	-	-	-	-	442,041	409,512	93,954	535,995
Balance at March 31, 2024	**162,254,339**	**17,107,347**	**3,409,434**	**-**	**-**	**(17,363,899)**	**(715,061)**	**2,437,821**	**4,232,707**	**6,670,528**

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

Britannia Life Sciences Inc.

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars, except per share amounts)

		2024	2023
		$	$
OPERATING ACTIVITIES			
Net Income (loss)		**(4,398,484)**	5,838,186
Adjustments for items not involving cash			
Depreciation and amortization	4, 5	**328,383**	226,668
Share-based payments	11,14	**226,502**	1,050,998
Interest on lease liability	8	**62,164**	24,681
Foreign currency translation gain		**491,896**	862,003
Change in fair value of put liability	6(a)	**(1,449,326)**	(1,954,727)
Purchase commitment provision	6(a)	**5,274,407**	-
Change in fair value of warrant liability	9, 10	**(2,043)**	(2,456,228)
Accretion expense	7, 13	**169,548**	37,444
Gain on dilution in BMS	6(b)	**(465,811)**	(1,387,010)
Share of net loss of BMS	6(b)	**959,163**	18,334
Elimination of associate's management fee	6(b)	**77,782**	99,312
Non cash financing fee		**-**	38,500
Deferred income tax	11	**(67,355)**	25,534
		1,206,826	2,423,695
Changes in non-cash working capital items			
Accounts receivable		**564,532**	195,233
Accounts payable and accrued liabilities		**237,095**	(648,134)
Prepaid expenses		**10,674**	37,580
Inventory		**72,529**	-
Total changes in non-cash working capital items		**884,830**	(415,321)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**2,091,656**	2,008,374
INVESTING ACTIVITIES			
Acquisition of non-controlling interest of ADSL	6(a)	**(938,735)**	(2,982,066)
Acquisition of CosLab	6(c)	**(164,478)**	-
Acquisition of intangible assets	5	**(202,603)**	(286,992)
Acquisition of equipment	4	**(134,871)**	(55,308)
NET CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		**(1,440,687)**	(3,324,366)
FINANCING ACTIVITIES			
Principal payments on GLL loan	8	**(1,828,246)**	**-**
Interest on GLL financing	7	**-**	(791,667)
Lease payments	8	**(171,148)**	(73,542)
Funds received from director	10	**27,034**	-
Proceeds on GLL financing	7	**-**	7,979,842
Principal and interest payment on Sellers' loan	7, 11	**-**	(4,959,276)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**(1,972,360)**	2,155,357
Effect of exchange rate changes on cash and cash equivalents		**45,702**	127,781
Increase in cash and cash equivalents		**(1,275,689)**	967,146
Cash and cash equivalents at beginning of the year		**2,598,273**	1,631,127
Cash and cash equivalents at end of the year		**1,322,584**	2,598,273

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

1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or the "Company") (together with its subsidiaries, the "Group") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of BLS's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. BLS'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.

Going concern

These consolidated 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. For the year ended March 31, 2024 the Company incurred a net loss of $4,398,484 (2023 – income of $5,838,186) As at March 31, 2024, the Company had an accumulated deficit of $17,363,899 (2023 - $11,942,346) and working capital deficiency of $7,773,165 (2023 - $378,992). The Company also has a purchase commitment to acquire the remaining shares of Advanced Development and Safety Laboratories Ltd. ("ADSL") of $10,333,463 (see note 6(a)). In order to continue as a going concern and meet its corporate objectives, the Company is dependent on its ability to obtain additional financing. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on the terms advantageous to the Company.

These consolidated financial 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 were required to realize its assets and liabilities and commitments in then normal course of business operations and at amounts different from those in the accompanying consolidated financial statements.

2. Basis of Preparation

(a) Statement of compliance

These 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 consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 28, 2024.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of BLS, its subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. (doing business as Cultivate Kind) ("Brand Max"), Life Bloom Organics, LLC ("Life Bloom") and Cosmetic Labs Limited ("CosLab") (all wholly owned) ADSL (of which BLS owns 72%). BBCL, ADSL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom, Brand Max, 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
BBCH	Ontario, Canada	100%
BBCL	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	California, United States	100%
Life Bloom	Delaware, United States	100%
ADSL	United Kingdom	72%
CosLab	United Kingdom	100%

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 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 BLS's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of 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 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 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 consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency and the overall presentation currency. The Group's U.K. operations have a functional currency of UK pounds sterling. The Group'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 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 consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Group 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 Group 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 consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Group 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 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.

The Company has recognized an onerous contract liability for a contract where the unavoidable costs of meeting the contractual obligations exceed the economic benefits to be received under the contract. Unavoidable costs are the lower of the costs fulfilling the contract and any compensation or penalties from the failure to fulfill the contract. The Company records a provision equal to the total unavoidable costs, net of the expected benefits, and the result liability is presented on the consolidated statements of financial position.

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 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.

3. Material Accounting Policy Information

a. Foreign currency translation

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Company's subsidiaries at the exchange rate in effect on the date of the transaction. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated statement of income (loss) and comprehensive income (loss). Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates.

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income in the cumulative translation account.

b. Financial instruments

Financial assets

Non-derivative financial assets are classified as "financial assets at fair value" either through fair value through other comprehensive income (FVOCI) or through fair value through profit and loss (FVTPL),and "financial assets at amortized cost" as appropriate. The Company determines the classification of its financial assetsat initial recognition based on the Company's business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of instruments not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is requiredto establish fair values.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model and how those risks are managed;
- How managers of the business are compensated e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the

assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL include financial assets held-for-trading and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in finance expense in the consolidated statements of income (loss) and comprehensive income (loss).

Cash is measured at FVTPL.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost: (i) assets held for the collection of contractual cash flows; and (ii) contractual cash flows that consist solely of principal and interest payments on the principal amount outstanding.

Accounts receivable, accounts payable and accrued liabilities, GLL loan payable, director's loan, lease liabilities, purchase commitment provision and other debt are measured at amortized cost.

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, instruments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of net income (loss) and comprehensive income (loss). When the instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income and is not reclassified to profit or loss.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses ("ECL") in the consolidated statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company has applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Group recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the Group considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could general sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Group's financial liabilities include accounts payable and accrued liabilities, interest payable, Director's loan, lease liability, GLL loan and other debt, which are each measured at amortized cost and warrant liability and put option liability which were each measured at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by takinginto account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

Derivative financial instruments

The Group has issued liability-classified derivatives over its own equity and has a put liability on the non-controlling interest of a subsidiary. Embedded derivative is separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives and separable embedded derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives and separable embedded derivatives are measured at fair value, and all changes in their fair value are recognized immediately in profit or loss.

c. Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Group. Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, common share purchase warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

d. Share-based compensation

Under the Company's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 5 years form the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk free

rate and estimated forfeitures.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instrument that ultimately vested. After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share option's life.

If a grant of the share based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

Upon expiration of options, the amount applicable to expired options is moved to contributed surplus.

e. Warrants

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in equity reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When stock options or warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

f. Warrant liability

The Company has issued common share purchase warrants that are denominated in US dollars, while convertible in Canadian dollars. As the exercise price for these common share purchase warrants is denominated in US dollars, their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are treated as a financial liability under IFRS.

Incremental costs directly attributable to the exercise of these warrants and related issue of common voting shares were recognized as a deduction from equity, net of any tax effects. The Company followed the relative fair value method with respect to the measurement of convertible notes and warrants issued as units. The proceeds from the issuance of units were allocated between convertible notes and warrants. Unit proceeds were allocated to warrants using the Black-Scholes model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, would be recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to these expired warrants would be recognized in profit or loss.

g. Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

For laboratory testing and safety and other compliance reports, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the laboratory testing when the customer can exert control over the testing process. Revenue is recognized using the percentage-of-completion method when performance obligations are satisfied over time. The percentage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognized to the extent of recoverable expenses when the outcome of the contract cannot be estimated reliably. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when service reports are completed and available to the customer. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

Management fee revenue is recorded evenly over the term of the service provided.

h. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit held in reputable Canadian and UK financial institutions and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at March 31, 2024 and 2023 there were no cash equivalents.

i. Embedded derivative

The Group has convertible note payables whereby balances can be converted into equity. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized in net income (loss) and comprehensive income (loss).

j. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. All related party transactions are disclosed in the consolidated financial statements at their fair value.

k. Government assistance

Government grants, consisting of grants, subsidies and investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Group has met or will meet the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Group for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Group for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset. Government grants in the form of forgivable or low interest loans are recognized in income as the difference between the amount received and the present value of anticipated future payments under the loan.

l. Business combinations and related goodwill

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Restructuring, transaction costs other than those associated with the issue of debt or equity securities, and other direct costs of a business combination are not considered part of the business acquisition transaction and are expensed as incurred. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in

the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss) as a gain from a bargain purchase.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

The determination of fair values to the net identifiable assets acquired in business combinations or asset 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. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment at least annually and upon occurrence of an indication of impairment. The impairment testing process is described in the appropriate section of these accounting policies.

m. Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. The Company accounts for its in-substance equity investments in associates, including Britannia Mining Solutions Inc.

("BMS"), using the equity method of accounting (Note 6). Investments in associates, such as convertible debentures, that do not meet the criteria of in-substance equity instruments are accounted for in accordance with the nature of the instrument.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income (loss) and comprehensive income (loss) reflects the Company's share of the results of operations of its associates. Any other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Company's share of profit or loss of an associate is shown on the face of the consolidated statement of income (loss) and comprehensive income (loss) and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize any impairment losses on its investments in its associates. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value, and then recognizes the loss in the consolidated statement of income (loss) and comprehensive income (loss).

Upon loss of significant influence over an associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

n. Property and equipment

Recognition and measurement

Items of equipment are measured at cost less accumulated amortization and accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of property and equipment are recognized in the consolidated statement of income (loss) and comprehensive income (loss) in the period in which they are incurred.

Depreciation

Depreciation is recognized when the asset is determined to be ready for use, over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis
Fixtures and Fittings	25% reducing balance.
Computer equipment	25% reducing balance.
Right-of-use asset	Straight-line over the lease term

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income (loss) and comprehensive income (loss) in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Subsequent expenditures

Subsequent expenditures are recognized as part of an existing asset's carrying value or as a separate asset, as appropriate, when it is probable that future economic benefits embodied in the specific asset to which they relate will flow to the Group and the cost of the items can be measured reliably. All other expenditures are recognized in profit or loss as incurred.

o. Intangible assets

The Company's intangible assets are comprised of a website and product management system that are recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recorded at 25% per annum of the reducing balance.

Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

p. Impairment of long-lived assets

The carrying amounts of long-lived assets, including property and equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, then the asset's recoverable amount is estimated. Where the carrying value of an asset exceeds its recoverable amount, which is higher of the value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions about future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the carrying amount of the asset and/or its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

The Company's impairment tests for goodwill and intangible assets are based on the greater of value in use calculations that use a discounted cash flow model and estimated fair value less cost to sell. The value-in-use calculations employ the following key assumptions: future cash flows, growth projections including economic risk assumptions and estimates of achieving key operating metrics. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit ("CGU") being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost to sell is based on the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. The Company defines its CGUs based on the way it internally monitors and derives economic benefits from the acquired goodwill. Impairment losses for a CGU is first allocated to reduce goodwill. An impairment loss in respect of goodwill is not reversed in future periods.

q. Leases

The Company and its subsidiaries assess whether a contract is or contains a lease based on the definition of a lease, as explained below.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As lessee, the Company may lease assets from time to time including property and/or equipment and recognizes right-of-use ("ROU") assets and lease liabilities.

The Company recognizes a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the ROU asset reflects that the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in- substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

r. Finance income and finance costs

Finance costs comprise interest expense on borrowings which are recognized in profit or loss using the effective interest method.

s. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Scientific research and experimental development tax credits, which are earned as a result of incurring qualifying research and development expenditures, are recorded as a reduction of the related expense or cost of the asset acquired when there is reasonable assurance that they will be realized.

t. Earnings (loss) per share

The Company presents basic earnings (loss) per share ("EPS") data for its common voting shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. The diluted earnings (loss) per share reflects potential dilution of common share equivalents, such as outstanding warrants and convertible debentures.

u. New standards and interpretations adopted

IAS 1 Presentation of Financial Statements ("IAS 1") – Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1. The amendments aim to promote consistency in applying the requirement by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Adoption of these amendments had no significant effect on the Company's consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policies disclosures that are more useful by replacing the requirement for entities to disclose "significant" accounting policies with a requirement to disclose their "material" accounting policies and

adding guidance on how entities apply the concept of materiality in making decisions about accounting disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023. Since the amendments to IFRS Practice Statement 2 provide non-mandatory guidance on the application of definition of material to accounting policy information, an effect date for these amendments is not necessary. The amendments had no material effect on the Company's consolidated financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of "accounting estimates". The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amended standard explains how entities use measurement techniques and inputs to develop accounting estimates and states that these can include estimation and valuation techniques. The amendments become effective for annual reporting periods beginning on or after January 1, 2023. Adoption of these amendments had no significant effect on the Company's consolidated financial statements.

IAS 12, Income Taxes ("IAS 12") – Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Adoption of these amendments had no significant effect on the Company's consolidated financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

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	124,065	10,806	320,333	455,204
Effect of foreign exchange	13,727	825	55,042	69,594
Balance, March 31, 2024	**729,535**	**47,209**	**580,293**	**1,357,037**
Accumulated 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	115,630	8,045	106,113	229,788
Effect of foreign exchange	5,898	309	19,907	26,114
Balance, March 31, 2024	**379,313**	**22,842**	**233,604**	**635,759**
Net book value, March 31, 2023	**333,958**	**21,090**	**97,334**	**452,382**
Net book value, March 31, 2024	**350,222**	**24,367**	**346,689**	**721,278**

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	162,899	39,704	202,603
Impairment of Goodwill	-	(39,704)	(39,704)
Effect of foreign exchange	7,093	403,146	410,239
Balance, March 31, 2024	**475,750**	**17,782,021**	**18,257,771**
Accumulated 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	-	3,019
Amortization	98,595	-	98,595
Effect of foreign exchange	1,175	-	1,175
Balance, March 31, 2024	**177,115**	**-**	**177,115**
Net book value, March 31, 2023	**228,413**	**17,378,875**	**17,607,288**
Net book value, March 31, 2024	**298,635**	**17,782,021**	**18,080,656**

Impairment

For the purposes of the Group’s goodwill impairment testing, the Group has grouped certain CGUs to test at the lowest level at which management monitors goodwill for internal management purposes, which is the Group wide level. The Group performed its annual impairment test of goodwill at March 31, 2024. The recoverable amount was determined based on the value-in-use (“VIU”) and considered the cash flows of the CGUs based on the current budget and future commercialization plans. In assessing the VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects market assessments of the time value of money and the risks specific to the CGUs. The VIU calculations were performed using an after-tax discount rate of 13%. The Group determined the terminal value as an estimate of the present value of the future cash flows in the terminal period, applying a terminal growth rate of 3%. Based on the Group’s assessment, the recoverable amount is higher than the carrying value and therefore no impairment loss was recorded for the year ended March 31, 2024.

6. Business developments

a) Advanced Development & Safety Laboratories Ltd.

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "ADSL Sellers") and BBCH entered into a share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of the issued share capital of ADSL (the “Initial ADSL Acquisition”). Completion payments in relation to the Initial ADSL Acquisition were made on February 9, 2021 (the “Initial ADSL Completion Date”). The Initial ADSL Acquisition consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the ADSL 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 Initial ADSL Completion Date, BBCH had the right to acquire from the Sellers up to an additional 40% of the share capital of ADSL for additional consideration. In circumstances where on expiry of the third anniversary of the Initial ADSL Completion Date BBCH has not acquired all the ADSL shares, the ADSL Sellers have the right to require BBCH to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares (the "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 BBCH of the total enterprise value for ADSL.

At the close of the Initial 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, BBCH acquired an additional 10% of the outstanding issued share capital of ADSL (the "Second ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Second ADSL Acquisition (CAD: $2,982,066).

The Put Liability was reduced accordingly and an adjustment was made to non-controlling interest to reflect the change in ownership after the Second ADSL Acquisition 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, BBCH acquired an additional 2% of the outstanding issued share capital of ADSL (the "Third ADSL Acquisition"). A cash payment of GBP 545,023 was paid as consideration for the Third ADSL Acquisition (CAD: $938,735).

The Put Liability was reduced accordingly and an adjustment was made to non-controlling interest to reflect the change in ownership post transaction.

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

On February 9, 2024, as BBCH had not yet acquired the remaining ADSL shares, the put option right became enforceable. On March 18, 2024, the ADSL Sellers informed BBCH of their intention to exercise their put right. BBCH has consequently reduced the put liability on the balance sheet to nil, generating a gain on fair value of the put liability for the year ended March 31, 2024, of $1,403,966. The Company has determined that a purchase commitment in the amount of £6,038,017 (CAD: $10,333,463) exists at March 31, 2024 (Note 17). As per the terms of the share purchase agreement dated March 10, 2020, the ADSL Sellers and the Company, the Company has ninety days to satisfy its obligations under the put option right. See Subsequent Event Note 19.

Onerous Contract
The Company has recognized an onerous contract liability in relation to the obligation to acquire the remaining ADSL shares. The Company has determined that the contract price exceeds the fair value at March 31, 2024 of the shares to be purchased. The purchase commitment provision is presented on the consolidated statements of financial position in the amount of $5,274,407 (GBP: 3,081,925).

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 year ended March 31, 2024, BMS issued 264,640 BMS common shares at $10.00 per share after which the Company owns 32% 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, 2022	**445**
Gain on dilution after equity issuances	1,387,010
Elimination of associate’s management fee	(99,312)
Share of net loss of BMS	(18,334)
Balance as at March 31, 2023	**1,269,809**
Gain on dilution after equity issuances	465,811
Elimination of associate’s management fee	(77,782)
Share of other comprehensive income of BMS	32,529
Share of net loss of BMS	(959,163)
Balance as at March 31, 2024	**731,204**

The following is a summary of the financial information of BMS, adjusted to conform with the accounting policies of Britannia on a 100% basis as at the specified date and for the year then ended, as disclosed in the table below, which is the recent available information for BMS:

As at March 31,	**2024**	**2023**
	$	$
Cash and cash equivalents	798,846	110,536
Total current assets	3,552,172	2,500,000
Total current liabilities	3,925,104	160,000
For the year ended March 31,		
Net loss	(3,199,564)	(289,974)
Proportionate share of net loss	(959,163)	(18,344)
Proportionate share of other comprehensive income	32,528	-

c) Cosmetics Lab Limited

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 consolidated financial statements from the date of acquisition.

Pursuant to the terms of the CosLab acquisition, the minority shareholder of CosLab had 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 (the "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 $45,360 (GBP 26,880), representing the difference between the market price and the contract value of the CosLab Put Liability, discounted at a rate of 4.53% per annum and assuming the transaction would take place on June 1, 2025.

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
Assets acquired	
Cash and cash equivalents	4,272
Accounts receivable	261,845
Inventory	171,323
Property and equipment	402,479
	839,919
Liabilities assumed	
Accounts payable and accrued liabilities	(497,945)
	(497,945)
Net identifiable assets at fair value	341,974
Non-controlling interest measured at fair value (51%)	174,406
CosLab Put Liability	(45,360)
Goodwill	39,704
Total consideration	**168,750**

On February 20 2024, the Company acquired the remaining 49% interest in CosLab from the minority shareholder for GBP £1. The put liability was remeasured to nil, generating a gain on the change in the fair value of the CosLab Put Liability for the year ended March 31, 2024 of $45,360 (GBP 26,880).

At March 31, 2024 the Group performed its annual impairment test of goodwill and determined that the interest in CosLab was impaired. An impairment charge has been recorded in the year ended March 31, 2024.

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 ADSL 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 year ended March 31, 2024, the Company made $1,828,246 (GBP: 1,078,548) of principal payments in relation to the GLL loan respectively (2023: 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**
Additions	370,339
Lease payments	(171,148)
Lease interest	62,164
Effect of foreign exchange	14,941
Balance as at March 31, 2024	**410,152**
Current	111,721
Non-current	298,431
Balance as at March 31, 2024	**410,152**

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' common share purchase warrants had 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 did not meet the fixed- for-fixed criteria under IFRS to be classified as equity and were therefore treated as a financial liability under IFRS. The remaining brokers' warrants expired unexercised on July 14, 2023. The fair value of the warrant liability for the year ended March 31, 2024 has been adjusted to $nil (March 31, 2023: $2,043).

Changes in the number of these warrants outstanding for the two years ended March 31, 2024 are as follows:

	Warrants	Amount	Weighted Average Exercise Price
		$	$
Balance, March 31, 2022	48,316,080	2,458,271	0.21
Expired	(37,430,640)	(1,904,390)	0.21
Change in fair value	-	(551,838)	-
Balance, March 31, 2023	**10,885,440**	**2,043**	**0.21**
Expired	(10,885,440)	(2,043)	0.21
Balance, March 31, 2024	**-**	**-**	**-**
Weighted average remaining contractual life (years)			**-**

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.

	2024	2023
	$	$
Share based compensation (Note 13)	**226,502**	1,050,998
Salaries, fees and short term benefits	**665,432**	550,948
	891,934	1,601,946

As at March 31, 2024, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $608,973 (March 31 2023 - $295,940).

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 Group. The loan is without interest, unsecured and is repayable on demand and remains outstanding at March 31, 2024.

During the year ended March 31, 2024, a Company director extended a loan of $27,034 (GBP 15,796) to CosLab to cover expenses related to its working capital and growth needs. The loan is without interest, unsecured and is repayable on demand and remains outstanding at March 31, 2024.

11. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 – 26.5%) to the effective tax rate is as follows:

		2024		2023
Income (loss) before income taxes for the year	$	(4,465,839)	$	5,858,050
Expected income tax expense (recovery)		(1,183,448)		1,552,384
Change in fair value of put liability		(380,669)		(518,002)
Change in fair value of warrant liability		(543)		(650,900)
Share-based payments		60,023		278,514
Accretion on convertible debt		520		500
Other non-deductible expenses		41,889		1,888
Share of loss of BMS		254,232		20,376
Gain on dilution of BMS		(123,440)		(367,558)
Goodwill impairment		7,544		-
Purchase commitment provision		1,397,718		-
Research and development differences		(437,802)		(345,203)
Effect of change in statutory rates		32.816		-
Difference between statutory rates		53,388		(113,835)
Change in tax benefits not recognized		210,417		161,700
Income tax expense (recovery)	$	(67,355)	$	19,864

The Company's income tax (recovery) expense is as follows:

		2023		2023
Current income tax (recovery) expense	$	-	$	(5,669)
Deferred income tax expense (recovery)		(67,355)		25,533
Income tax expense (recovery)	$	(67,355)	$	19,864

The tax effect significant components of the Company's temporary differences, unused tax credit and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

		March 31, 2023		March 31, 2023
Non-capital loss carryforwards	$	1,590,618	$	1,230,050
Intangible assets		(104,809)		(43,399)
Property and equipment, net of lease liability		(74,659)		(60,521)
		1,411,150		1,126,130
Valuation allowance		(1,440,467)		(1,230,049)
Deferred tax liability	$	(29,317)	$	(103,919)

Deferred income taxes have not been recognized in respect of a portion of the loss carryforwards because it is not probable that future taxable profit will be available against which the Group will be able to use these benefits.

Loss carryforwards

As at March 31, 2024, the Group has non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years, that expire as follows:

Year of expiry	$
2040	469,990
2041	607,343
2042	2,584,711
2043	337,083
2044	173,108
	4,172,235

As at March 31, 2024, the Group has non-capital losses in the United Kingdom, stated in Canadian dollars, which, under certain circumstances, can be used to reduce taxable income of future years, that expire as follows:

Year of expiry	$
2040	112,947
2041	98,170
2042	303,555
2043	380,421
2044	1,471,480
	2,366,393

12. Other debt

The continuity of other debt for the years ending March 31 2024 and March 31, 2023 is as follows:

	Note Payable (a)	CEBA Loan (b)	Federal Capital (c)	Total
	$	$	$	
As at March 31, 2022	86,337	36,150	-	122,487
Accretion expense	-	1,886	-	1,886
As at March 31, 2023	86,337	38,036	-	124,373
Acquisition of CosLab	-	-	29,344	29,344
Accretion expense	-	1,964	-	1,964
Repayment	-	(40,000)	-	(40,000)
Balance, March 31, 2024	**86,337**	**-**	**29,344**	**115,681**
Current	**86,337**	**-**	**17,114**	**103,451**
Non-current	**-**	**-**	**12,230**	**12,230**
Balance, March 31, 2024	**86,337**	**-**	**29,344**	**115,681**

(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 until July 31, 2017. Total interest payable at March 31, 2024 is $36,337 (March 31, 2023: $36,337). As of March 31, 2024, 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 was to bear interest at a rate of 5% per annum. The CEBA loan matured on December 31, 2025. If $40,000 of the outstanding balance was repaid on or before January 18, 2024, the remaining $20,000 was forgiven. The Company used a 5% per annum discount rate to determine the fair value of the interest-free period. This amount was accreted to the amount anticipated to be payable at January 18, 2024 of $40,000. The Group repaid $40,000 on January 18, 2024.

(c) Federal Capital loan

On October 19, 2023, CosLab obtained a $29,344 (GBP 20,000) loan from Federal Capital. The loan bears interest at 29.6% and is payable in equal instalments over a twenty-four-month period.

13. 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 March 31, 2022	161,904,339	17,082,561	(13,714)	17,068,847
Equity issued for advisory services	350,000	38,500	-	38,500
As at March 31, 2023 and 2024	**162,254,339**	**17,121,061**	**(13,714)**	**17,107,347**

18,734,158 common shares are held in escrow at March 31, 2024 (March 31, 2023: 37,468,858).

Warrants

On May 12, 2023 the Company’s remaining equity warrants expired unexercised. The continuity of the outstanding equity warrants for the two years ended March 31, 2024 is as follows:

	Number of Warrants	Weighted average exercise price
		$
As at March 31, 2022	10,677,735	0.25
Expired	(395,795)	1.40
As at March 31, 2023	10,281,940	0.25
Expired	(10,281,940)	0.25
Outstanding as at March 31, 2024	**-**	**-**

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.

Changes to the number of options outstanding for the two years ended March 31, 2024 are as follows:

	Options	Weighted average exercise price $
As at March 31, 2021	-	-
Granted on completion of RTO	13,320,000	0.21
Issued to RISE option holders upon RTO	150,000	3.00
Issued to RISE option holders upon RTO	15,000	4.00
Expired	(115,000)	3.13
Outstanding as at March 31, 2022 and 2023	**13,370,000**	**0.22**
Exercisable as at March 31, 2023	8,042,000	0.22
Expired	(13,370,000)	-
Outstanding as at March 31, 2024	**-**	**-**
Exercisable as at March 31, 2024	**-**	**-**

The Company recognized share-based payment related to the issuance of stock options for the year ended March 31, 2024 of $226,502 (2023: $1,050,998)

14. 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 it 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.

15. Revenue

The Group generates the majority of its revenue from the sale to businesses of services related to product formulation and development, safety and compliance reporting and laboratory testing of products in the cosmetics and household goods industries, as well as the manufacturing and packaging of some cosmetic products. In the following table, revenue for the years ended March 31, 2024 and 2023 is aggregated by the most relevant channels:

	2024	**2023**
	$	$
Laboratory testing	**4,021,773**	3,308,040
Safety and other compliance	**3,174,905**	2,915,626
Manufacturing and packaging	**182,751**	-
Management fees	**189,769**	180,228
	7,569,198	6,403,894

16. Selling, general and administrative expense

Included in selling, general, and administrative expense for the years ended March 31, 2024 and 2023 are the following:

	2024	2023
	$	$
Pay, consulting and benefits	**1,020,284**	1,349,574
Office and general	**1,618,883**	809,026
Professional fees expense	**319,020**	164,139
Amortization and depreciation	**328,383**	226,651
Travel and other	**52,779**	43,695
	3,339,349	2,593,085

17. Contingencies

From time to time the Group 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.

18. Financial Instruments and risk management

The Company has classified its financial instruments as follows:

	March 31, 2024	March 31, 2023
	$	$
FVTPL, measured at fair value:		
Cash	**1,322,584**	2,598,273
Warrant liability	**-**	2,043
Put option liability	**-**	1,419,711
Financial assets, measured at amortized cost:		
Accounts receivable	**1,208,975**	1,597,233
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**3,000,157**	2,224,014
GLL loan payable	**6,614,552**	8,030,067
Purchase commitment provision	**5,274,407**	-
Director’s loan	**147,034**	120,000
Lease liability	**410,152**	133,856
Other debt	**115,681**	124,373

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

<u>Fair values of financial assets and financial liabilities</u>

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	1,322,584	-	-	**1,322,584**
As at March 31, 2024	**1,322,584**	**-**	**-**	**1,322,584**

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	2,598,273	-	-	**2,598,273**
As at March 31, 2023	**2,598,273**	**-**	**-**	**2,598,273**
Financial liabilities				
Warrant liability	-	2,043	-	**2,043**
Put option liability	-	1,419,711	-	**1,419,711**
As at March 31, 2023	**-**	**1,421,754**	**-**	**1,421,754**

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the year ended March 31, 2024. Further there was no transfer out of level 3 measurements.

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.

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 and contingent financial liabilities as at March 31, 2024 and 2023 based on undiscounted contractual cash flows:

	Payment due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 3,029,482	$ -	$ -	$ 3,029,482
Lease liability	168,623	266,304	115,412	550,339
GLL loan	1,993,213	4,717,961	-	6,711,174
Director's loan	147,034	-	-	147,034
Other debt	103,451	12,230	-	115,681
Purchase commitment (Note 6(a))	10,333,463	-	-	10,333,463
March 31, 2024	**$ 15,775,266**	**$ 4,996,495**	**$ 115,412**	**$ 20,887,173**

	Payment due by period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
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**

Currency risk

The Group is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Group has not entered into any foreign currency contracts to mitigate this risk. As at March 31, 2024, the Group had no financial instruments denominated in foreign currencies.

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

Denominated in:	USD	GBP
Warrant liability	1,510	-
Put liability	-	848,805
	1,510	848,805
Foreign currency rate	1.3533	1.6726
Equivalent in Canadian dollars	2,043	1,419,711

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 Group is exposed to cash flow risk with respect the GLL loan payable, which bears interest payment at the higher of 9.5% per annum and 8.5% per annum plus SONIA (Sterling Over Night Indexed Average).

19. Subsequent events

Private placement

On July 22, 2024 the Company completed a non-brokered private placement of 932,000 unsecured debenture units (the "Debenture Units") for gross proceeds of $932,000. Each Debenture Unit consists of (i) a $1,000 principal amount unsecured, subordinated debentures (the "Debentures"), and (ii) 16,666 common share purchase warrants of the Company at an exercise price of $0.06 per share and an expiry date of July 22, 2025. The Debentures bear interest at 10% per annum, paid annually in arrears, and have a maturity date of July 22, 2025, subject to extension at the Company's option for an additional 12 months (the "Maturity Date").

Purchase commitment

The Company is pursuing various options to finance the acquisition of the remaining shares of ADSL. The ADSL Sellers have agreed to allow the Company an extension to the ninety day completion deadline.