

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SWEET EARTH HOLDINGS CORPORATION

THREE MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SWEET EARTH HOLDINGS CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at September 30, 2024 and June 30, 2023

(Expressed in Canadian dollars)

		As of September 30, 2024	As of June 30, 2024
ASSETS			
		\$	\$
Current assets			
Cash		10,635	17,703
TOTAL ASSETS		10,635	17,703
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	209,265	233,668
Due to related parties	9	36,750	21,000
Loans payable	6	81,374	50,226
TOTAL LIABILITIES		327,389	304,894
SHAREHOLDERS' DEFICIENCY			
Share capital	8	13,995,891	13,995,891
Reserves		903,062	903,062
Accumulated other comprehensive loss		(113,582)	(113,582)
Accumulated deficit		(15,102,125)	(15,072,562)
TOTAL SHAREHOLDERS' DEFICIENCY		316,754	(287,191)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		10,635	17,703

Nature and continuance of operations (Note 1)

Contingency (Note 12)

Subsequent events (Note 13)

On behalf of the Board:

“Robert Dubeau”“Chris Cooper”

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

SWEET EARTH HOLDINGS CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

For the three Months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

		Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
		\$	\$
Sales		-	4,275
Cost of sales		-	(783)
Gross profit		-	3,492
Operating Expenses			
Utilities		-	5,579
		-	5,579
Administrative Expenses			
Interest on loans		2,837	-
Management fees	9	15,750	16,125
Marketing and investor relations		-	538
Office and general		4,920	9,990
Professional fees		6,056	4,135
		29,563	30,788
Loss before other items		29,563	32,875
Other items			
Loss on impairment of property and equipment	4	-	(7,981)
Gain on termination of lease liabilities		-	457
Net loss for the period		(29,563)	(40,399)
Other comprehensive loss			
Currency translation loss		-	(8,766)
Comprehensive loss for the period		(29,563)	(49,165)
Loss per share		(0.00)	(0.00)
Weighted average number of shares outstanding		22,802,941	22,802,941

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

SWEET EARTH HOLDINGS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

For the three Months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated Deficit	Accumulated Other Comprehensive Loss	Shareholders' Deficiency
		\$	\$	\$	\$	\$
Balance, June 30, 2023	12,802,941	13,995,891	903,062	(15,255,484)	(116,755)	(473,286)
Net loss and comprehensive loss for the period				(40,399)	(8,766)	(49,165)
Balance, September 30, 2023	12,802,941	13,995,891	903,062	(15,295,883)	(125,521)	(522,451)
Net income and comprehensive income for the period	-	-	-	223,321	11,939	235,260
Balance, June 30, 2024	12,802,941	13,995,891	903,062	(15,072,562)	(113,582)	(287,191)
Net loss for the period	-	-	-	(29,563)	-	(29,563)
Balance, September 30, 2024	12,802,941	13,995,891	903,062	(15,102,125)	(113,582)	(316,754)

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

SWEET EARTH HOLDINGS CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(29,563)	(40,399)
Items not affecting cash		
Interest on loans	1,148	-
Loss on impairment of property and equipment	-	7,981
Gain on termination of lease liabilities	-	(457)
Changes in non-cash working capital items		
Due from or to related parties	15,750	10,875
Accounts payable and accrued liabilities	(24,403)	(1,271)
	(37,068)	(23,271)
Cash flows from financing activities		
Loans received	30,000	-
	30,000	-
Effect of foreign exchange rate changes on cash	-	(8,766)
Change in cash for the period	(7,068)	(32,037)
Cash, beginning of period	17,703	155,048
Cash, end of period	10,635	123,011

Supplemental disclosure with respect to cash flows

During the period ended September 30, 2024 and 2023, there were no significant non-cash transactions.

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

SWEET EARTH HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
For the three Months ended September 30, 2024 and 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Sweet Earth Holdings Corporation (the “Company”) was incorporated as 1168061 B.C. Ltd. under the Province of British Columbia Business Company Act on June 13, 2018. The name was changed to Sweet Earth Holdings Corporation on July 26, 2018 to reflect the Company’s strategic decision to focus the business on becoming a major hemp cannabidiol (“CBD”) cultivator and processor.

The Company’s registered office is located at Suite 1500 – 1055 West Georgia Street, Vancouver BC V6E 4N7.

The Company incorporated a company in Spain – Sweet Earth Holdings Corp, L.S. (“SE Spain”) on December 26, 2018 but it didn’t have any active operations until December 31, 2019 when a lease of 9 hectares became effective. SE Spain was dissolved on December 28, 2022. A fourth subsidiary company, Sweet Earth Colombia S.A.S was incorporated in Colombia, but to date, has had no operations.

On November 18, 2018, the Company completed a share swap with TSN Agricorp Ltd. (“TSN”), the effect of which was to make TSN a wholly owned subsidiary of the Company. Earlier, on August 10, 2018, TSN had purchased 100% of membership interest of Sweet Earth, LLC (“LLC”). Both TSN and LLC are companies organized in the state of Oregon, USA. In September 2024, both TSN and LLC were dissolved.

On May 19, 2020, the Company completed a reverse takeover transaction (“RTO”) of Seaway Energy Services Inc., and the effective as that date became a listed entity on the Canadian Securities Exchange (“CSE”) under the ticker symbol SE.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. For the period ended September 30, 2024, the Company had net loss of \$29,563 (2023 - \$40,399) and had an accumulated deficit of \$15,102,125 (June 30, 2024 - \$15,072,562). These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements have been prepared in accordance with Interim Financial Reporting 34 (“IAS 34”) as issued by the International Financial Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, have been omitted or condensed.

The condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the audited financial statements for the year ended June 30, 2024. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2024.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on November 29, 2024.

2. MATERIAL ACCOUNTING POLICIES – (CONT'D)

Basis of presentation (cont'd)

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar, which is also the reporting currency of the Company. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards (“IAS”) 21.

Basis of consolidation

These consolidated financial statements are comprised of the financial results of the Company and its subsidiaries, (Note 1) which are the entities over which the Company has control. The Company consolidates an entity when it has power over that entity, is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. SE Spain was dissolved on December 28, 2022, and, as a result, was deconsolidated as of December 28, 2022, resulting in a gain of \$67,938 in the fiscal year ending June 30, 2023. On December 31, 2023, the Company lost control of LLC and consequently deconsolidated it from the consolidated financial statements, resulting in a gain of \$636,192 in the fiscal year ending June 30, 2024.

Use of estimates and judgments

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Management must make significant judgments or assessments as to how financial assets and liabilities are categorized. The following are the critical estimates and judgments that management has made in applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

a) *Going concern*

The assessment of the Company’s ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

b) *Functional currency*

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar, which is also the reporting currency of the Company.

The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards (“IAS”) 21. An entity considers the following factors in determining the functional currency of entities under its control:

- i) the currency that mainly influences sales prices for goods and services,
- ii) the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services, and

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2. MATERIAL ACCOUNTING POLICIES – (CONT'D)

b) *Functional currency (cont'd)*

iii) the currency that mainly influences labour, material and other costs of providing goods or services.

The Company has determined that the function currency of TSN and LLC is the US dollar. The functional currency of SE Spain was Euro.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED OR EFFECTIVE

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after July 1, 2024. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

4. PROPERTY AND EQUIPMENT

	Computer	Leasehold	Right to	Total
	\$	\$	\$	\$
Costs				
Balance, June 30, 2023	2,470	19,155	22,414	44,039
Impairment	-	(19,155)	(22,414)	(41,569)
Balance, June 30, 2024 and September 30, 2024	2,470	-	-	2,470
Depreciation				
Balance, June 30, 2023	2,470	11,174	17,931	31,575
Impairment	-	(11,174)	(17,931)	(29,105)
Balance, June 30, 2024 and September 30, 2024	2,470	-	-	2,470
Net Book Value, June 30, 2024 and September 30, 2024				
	-	-	-	-

During the years ended June 30, 2024 and 2023, the Company decided to write down the value of leasehold improvements and right-to-use assets no longer in use. The net book value of assets written down were \$12,464 (2023 - \$905,253).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	June 30, 2024
	\$	\$
Accounts payable	174,065	194,524
Accrued liabilities	35,200	39,144
	209,265	233,668

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6. LOANS PAYABLE

Total loans payable at September 30, 2024 was \$81,374 (June 30, 2024 - \$50,226), including accrued interest of \$1,374 (2023 - \$nil).

Date of Loan	Amount	Interest Rate	Due Date	Repayment Terms
April 14, 2023	\$25,000	0%	On demand	None
May 28, 2024	\$25,000	10%	On demand	None
July 29, 2024	\$30,000	10%	On demand	None

7. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

There are 12,802,941 shares issued and outstanding as at September 30, 2024 and June 30, 2024.

There were no transactions during the period July 1, 2024 to September 30, 2024

There were no transactions during the year from July 1, 2023 to June 30, 2024.

Stock options

Upon approval of the Company's shareholders, the Company has adopted an incentive rolling stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan up to a maximum of 20% of the un-issued and outstanding shares of the Company at any time, less shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies.

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options which are fully transferable and freely traded. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

At September 30, 2024, and June 30, 2024, there were no stock options outstanding.

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8. SHARE CAPITAL – (CONT'D)

Warrants

A summary of the status of the Company’s outstanding warrants as at September 30, 2024 is as follows:

Warrants	Number of shares upon exercise	Exercise price	Expiry Date
303,000	303,000	\$5.00	October 15, 2024*
10,000,000	10,000,000	\$0.10	June 12, 2025

The weighted average life of the warrants is 0.76 years.

* Subsequent to September 30, 2024 303,000 warrants expired unexercised.

The following is a summary of warrant transactions for September 30, 2024 and June 30, 2024:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, June 30, 2022	303,000	\$5.00
Issued	10,000,000	\$0.10
Balance, June 30, 2024 and September 30, 2024	10,303,000	\$0.24

Restricted Share Unit

The Company adopted a rolling restricted share unit plan (the “RSU Plan”) effective November 18, 2021, to allow the Board, or an appointed committee of the Board, to grant restricted share units (the “Share Units”) convertible to common shares to the Company’s directors, officers, employees, or employees of any subsidiaries of the Company, or to any eligible consultants, or any eligible consultant companies, to a maximum of the number of common shares equal to 10% of the shares issued and outstanding from time to time.

At September 30, 2024 and June 30, 2024, the Company did not have any Share Units issued and outstanding.

9. RELATED PARTIES

The Company considers officers and members of the Board of Directors as related parties. Key Management costs for the period ended September 30, 2024, is \$15,750 (2023 - \$16,125). Payments and accruals were made to the following officers and directors, or to companies controlled by these officers and directors:

	For the three months ended	
	September 30, 2024	September 30, 2023
	\$	\$
Management fees to CEO and director	7,875	7,875
Management fees to CFO and director	7,875	8,250
Total	15,750	16,125

Due to related parties represents fees due to officers and directors at September 30, 2024 of \$36,750 (June 30, 2024 – \$21,000). The amounts are non-interest bearing, due on demand and bear no specific terms of repayment.

10. MANAGEMENT OF CAPITAL

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to pursue the Company's objectives. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. FINANCIAL RISK MANAGEMENT

International Financial Reporting Standards establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. At June 30, 2024, management considers the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at September 30, 2024, the Company had a cash balance of \$10,635 (June 30, 2024 - \$17,703) to settle current liabilities of \$327,389 (June 30, 2024 - \$304,894). So far, the Company's sole source of funding has been the issuance of equity securities. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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11. FINANCIAL RISK MANAGEMENT - (CONT'D)

Financial risks – (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Canadian dollar equivalent of the amounts denominated in foreign currencies at September 30, 2024 and June 30, 2024 are as follows:

	USD
June 30, 2024	\$
<i>Financial assets</i>	684
<i>Financial liabilities</i>	24,072
September 30, 2024	
<i>Financial assets</i>	650
<i>Financial liabilities</i>	23,741

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company is not currently subject to price risk as it is not listed on a public stock exchange.

12. CONTINGENCY

During the year ended June 30, 2023, the Company wrote off certain accounts payable that have been outstanding for several years without any claims from the past vendor. The Company's position is that these accounts payable are no longer due; however, there can be no guarantee that the vendor will not file a claim against the Company in the future. In such an event, the Company will defend its position that these liabilities are not payable. As at September 30, 2024, no claim has been made against the Company in regards to the accounts payable that have been written off during the year ended June 30, 2023.

13. SUBSEQUENT EVENTS

On October 17, 2024, the Company closed a non-brokered private placement of common shares in the capital of the Company at \$0.017 per share by the issuance of 12,000,000 shares for gross proceeds of \$204,000.

On November 26, 2024, the Company announced a consolidation of its common shares, exchanging ten pre-consolidation shares for one post-consolidation share. This move, subject to Canadian Securities Exchange and shareholder approval