The Good Flour Corp.

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended March 31, 2022 and 2021

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the nine months ended March 31, 2022.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Good Flour Corp.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2022 and June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited)

			March 31, 2022		**June 30, 2021**
Assets	Note				
Current assets:					
Cash and cash equivalent		$	2,391,158	$	754,802
Accounts receivable	7		179,417		70
Prepaid expenses and deposits	8		47,687		-
Due from related Party	14		-		81,500
Inventory	9		10,000		-
Total current assets			2,628,261		836,372
Non-current assets:					
Right of use asset	12		316,965		-
Intangible assets - net	5,11		187,025		-
Goodwill	5		564,396		-
Fixed assets - net	10		522,301		-
Total Assets		**$**	**4,218,948**	**$**	**836,372**
Liabilities and Shareholders' Equity (Deficiency)					
Current liabilities:					
Accounts payable and accrued liabilities	13	$	992,275	$	120,066
Convertible debentures and related interest	16		301,478		-
Lease liability	12		139,452		-
Total current Liabilities			1,433,205		120,066
Non-current liabilities:					
Loan payable	15		55,224		-
Lease liability	12		185,980		-
Convertible debentures and related interest	16		164,699		-
Total Liabilities		**$**	**1,839,108**	**$**	**120,066**
Shareholders' Equity (Deficiency)					
Common shares	17	$	3,440,893	$	474,000
Reserves			4,378,711		376,000
Deficit			(5,439,764)		(133,694)
Total Shareholders' Equity		**$**	**2,379,840**	**$**	**716,306**
Total Liabilities and Shareholders' Equity (Deficiency)		**$**	**4,218,948**	**$**	**836,372**

Approved on May 30, 2022 by the directors:

"MATTHEW CLAYTON" "DEAN GOLBECK"

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

The Good Flour Corp.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the Three and Nine Months Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

	Note	For the Three Months ended March 31		For the Nine Months ended March 31	
		2022	**2021**	**2022**	**2021**
Revenue	19	$ 185,196	$ -	$ 299,380	$ -
Cost of Sales		(287,405)	-	$ (391,444)	-
Gross Margin		(102,209)	-	(92,064)	-
Expenses					
Operating expenses:					
Depreciation	10	76,183	-	95,168	-
Finance costs	12,15,16	29,520	-	40,965	-
General and administrative	20	362,546	65,262	3,487,433	65,262
Sales and marketing	20	102,472	-	128,816	-
Share-based compensation	17	20,000	-	1,201,000	-
Total expenses		590,721	65,262	4,953,382	65,262
Net loss before other items		$ (692,929)	$ (65,262)	$ (5,045,446)	$ (65,262)
Other items					
Currency exchange gain		(265)		(2,889)	-
Loss on settlement of convertible debentures	16	-		(31,989)	-
Loss from continuing operations		**$ (693,194)**	**$ (65,262)**	**$ (5,080,324)**	**$ (65,262)**
Net loss from discontinued operations	18	(225,746)	-	(225,746)	-
Net loss for the period		**$ (918,940)**	**$ (65,262)**	**$ (5,306,070)**	**$ (65,262)**
Loss per share – basic and diluted		**$ (0.01)**	**$ 0.01**	**$ (0.08)**	**$ 0.01**
Weighted average number of common shares		**63,284,467**	**34,000,000**	**63,284,467**	**34,000,000**

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

The Good Flour Corp.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For Nine Months Ended March 31, 2022 and Year Ended June 30, 2021
(Expressed in Canadian Dollars)
(Unaudited)

			Reserves							
	Class A Common Shares	Amount ($)	Stock Options ($)	Warrants ($)	Contributed Surplus ($)	Total Reserve ($)	Shares to be Issued ($)	Deficit ($)	Accumulated Other Comprehensive Loss ($)	Total ($)
Balance, June 30, 2020	**1**	**100**	**-**	**-**	**-**	**-**	**-**	**(500)**	**-**	**(500)**
Shares issued for cash	34,000,000	474,000	-	-	-	-	-	-	-	474,000
Issuance of warrants	-	-	-	376,000	-	376,000	-	-	-	376,000
Warrants issued for loan payable	-	-	-	-	-	-	-	-	-	-
Settlement of debt with related party	-	-	-	-	-	-	-	-	-	-
Comprehensive loss for the year	-	-	-	-	-	-		(133,194)	-	(133,194)
Balance, June 30, 2021	**34,000,000**	**474,000**	**-**	**376,000**	**-**	**376,000**	**-**	**(133,694)**	**-**	**716,306**
										-
Shares redeemed for cash	(1)	(1)								**(1)**
Shares issued for cash	26,075,000	2,325,000	-	2,690,000	-	2,690,000	-	-	-	**5,015,000**
Issuance of convertible debentures	-	-	-	-	111,711	111,711	-	-	-	**111,711**
Shares acquired on reverse takeover	3,209,468	641,894	-	-	-	-	-	-	-	**641,894**
Share-based compensation	-	-	1,201,000	-	-	1,201,000	-	-	-	**1,201,000**
Comprehensive loss for the period	-	-	-	-	-	-	-	(5,306,070)	-	**(5,306,070)**
Balance, March 31, 2022	**63,284,467**	**3,440,893**	**1,201,000**	**3,066,000**	**111,711**	**4,378,711**	**-**	**(5,439,764)**	**-**	**2,379,840**

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

The Good Flour Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended March 31, 2022 and 2020
(Expressed in Canadian Dollars)
(Unaudited)

	Note		For the Nine Months ended March 31 2022		2021
Cashflow provided by (used in) operating activities:					
Net loss		$	(5,080,324)	$	(65,262)
Items not involving cash					
Depreciation	10		95,168		-
Finance costs	12,15,16		30,517		-
Share-based payment	17		1,201,000		-
Listing expense	5		2,549,595		-
Loss on settlement of debt	16		31,989		-
Unrealized foreign exchange loss			2,889		-
Changes in non-cash working capital					
Accounts receivable and due from related party			(183,210)		-
Prepaid expenses and deposits			(25,175)		-
Accounts payables and accrued liabilities			(1,185,091)		53,034
Cash provided by (used in) operating activities		$	(2,562,642)	$	(12,228)
Cashflow provided by (used in) discontinued operatoins					
Net loss	18		(225,746)		-
Items not involving cash					
Loss on disposal of assets	18		238,592		-
Cash provided by (used in) discontinued operations		$	12,846	$	-
Cashflow used in investing activities:					
Purchase of property and equipment			(498,291)		-
Cash acquired on acquisitions			53,549		-
Cash used in investing activities		$	(444,742)	$	-
Cashflow provided by (used in) financing activities:					
Issuance of common shares	17		5,015,000		850,000
Repayment of convertible debentures	16		(320,310)		-
Lease payments	12		(63,796)		-
Cash provided by (used in) financing activities		$	4,630,894	$	850,000
Net decrease in cash		**$**	**1,636,355**	**$**	**837,772**
Cash and cash equivalent, beginning of the year		$	754,802	$	-
Cash and cash equivalent, end of the year		**$**	**2,391,158**	**$**	**837,772**
Cash and cash equivalent consists of					
Cash		$	2,341,158	$	837,772
Guaranteed Investment Certificate (GIC)		$	50,000	$	-

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

1. NATURE OF OPERATIONS

The Good Flour Corp., (the "Company" or "GFCO") was incorporated under the provisions of The Business Corporations Act (Saskatchewan) on September 25, 2009. On September 4, 2014, the Company completed its continuance to British Columbia under the Business Corporations Act (British Columbia). The Company's head office, principal address and the registered and records office are located at 5791 Sidley Street, Burnaby, BC V5J 5E6.

The Company manufactures and distributes a line of healthy, gluten-free and allergen free food products. On November 8, 2021, the Company began trading on the Canadian Securities Exchange ("CSE") at the open of market under the symbol "GFCO".

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting* ("IAS 34") and should be read in conjunction with the Company's annual consolidation financial statements for the year ended June 30, 2022.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2022.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis since inception, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Additionally, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian Dollars, unless otherwise stated. The Canadian dollar is the functional and presentation currency of the Company.

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

These condensed interim consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed below:

Name	Country of Incorporation	Functional Currency	% equity interest As at March 31, 2022
Loop Japan KK	Japan	Japanese Yen	100%
1022313 B.C. Ltd.	Canada	Canadian $	100%
Good Flour USA Corp.	Nevada, U.S.A.	US $	100%
The Good Flour Milling Corp.	Canada	Canadian $	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

IFRS 9, Financial Instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL. Any fair value changes attributable to changes in credit risk for liabilities designated at FVTPL are recorded in other comprehensive income and any fair value change in excess of the amount attributable to changes in credit risk is recognized in profit and loss.

The Company's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, due to related parties and CEBA loan. Except for cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost. Nevertheless, the fair values of these

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued

financial instruments approximate their carrying value due to their short-term maturities. The fair values of cash are measured at FVTPL and any changes to fair value after initial recognition are recorded in profit or loss for the period in which they occur.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

b) Critical Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Actual results could differ from these estimates.

In particular, Judgements, assumptions and estimation uncertainties at July 31, 2020 and 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year include:

i) The evaluation of the Company's ability to continue as a going concern;
ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets; and

Measurement of fair values, for both financial and non-financial assets and liabilities.

c) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and is available on demand by the Company for its programs.

d) Inventory

Inventory consists primarily of raw materials and finished goods. In addition to product costs, inventory costs include expenditures such as direct labor, freight costs, packaging, and any third-party costs. Inventory is

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment and intangible assets less their estimated residual values using the diminishing balance method over their estimated useful lives and is generally recognised in profit or loss.

e) Property, plant and equipment (continued)

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Office Equipment	5 years
Leasehold Improvements	5 years
Manufacturing Equipment	10 years
Vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

f) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

g) Leases

Leases are accounted for using IFRS 16. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone process. However, for the leases of land and buildings in which it is the lessee, the Company has elected not to separate non-lease components and account for the non-lease components as a single component.

The Company recognizes the right-of-use asset and a lease liability at the commencement date. The right-of-use 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 right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 as the discount rate.

h) Share capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if the dilutive securities were exercised or converted to common shares. The dilutive effect of any options and warrants are computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

j) Income tax

Income tax expense comprises current and deferred income tax. Tax is recognized in the income statement except to the extent that it relates to items recognized directly into equity, in which case the related tax effect is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates, laws and government policies that were enacted or substantively enacted at the statements of financial position date.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable income. Deferred tax is calculated based on the expected manner in which temporary differences related to the carrying amounts of assets and liabilities are expected to reverse using tax rates and laws enacted or substantively enacted which are expected to apply in the period of reversal.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination and which do not affect accounting or taxable profit or loss at the time of the transaction.

k) Impairment of financial assets

The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectable within one year or less are not considered to have a significant financing

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for ECL's prescribed by IRFS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

l) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Customers obtain control of products when the goods are dispatched from the Company's warehouse. Invoices are generated and revenue is recognized at that point in time. Invoices are usually payable within 30 days.

m) Change in accounting policies:

The Company has adopted IFRS 16 as of August 1, 2019 and has assessed no changes to the opening statements of financial position as a result of the adoption of this new standard.

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

New accounting standards issued but not yet effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's condensed interim 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 condensed interim consolidated financial statements and reported amounts of income 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 and judgements.

Areas requiring a significant degree of estimation and judgment include the following:

(a) Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

(b) Inventory Valuation

The Company adjusts inventory values so that the carrying values do not exceed the net realizable value. The valuation of inventory at the lower of cost or net realizable value requires the use of estimates with regards to the amount of current inventory that will be sold, the prices at which it will be sold, and an estimate of

expected orders from customers. Additionally, the estimates reflect changes in products or changes in demand because of various factors, including the market for products, obsolescence, change in product offerings, technology changes and competition.

(c) Determination of Functional Currency

The functional currency of each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates.

Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

(d) Determination of the Fair Value of Share-based Compensation

The Company measures the cost of equity settled transactions with employees and non-employees by reference to the fair value of the related instrument at the date in which they are granted and fair value of services, respectively. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. In addition, the option pricing models used require management to make various estimates and assumptions in relation to the expected life of the awards, volatility and forfeiture rates. Significant judgement is required in estimating the number of performance shares that are expected to vest. This estimate is subsequently trued up for differences between the number of instruments expected to vest and the actual number of instruments vested.

(Expressed in Canadian Dollars)

5. BUSINESS COMBINATION

On November 4, 2021 the Company acquired 100 per cent of the outstanding shares of The Gourmet Ghetto Food Ltd ("Ghetto"). Ghetto was subsequently amalgamated with VGAN Brands Ltd. to form The Good Flour Milling Corp. Ghetto manufactures and distributes a line of healthy, gluten-free and allergen free food products. The fair value of the consideration transferred was $559,997, which consisted of convertible notes with a fair value of $448,286 and a conversion feature worth $111,711. The purchase price was allocated as follows:

Total purchase consideration	559,997
Net tangible assets	
Cash	11,106
Non-cash net working capital	(44,617)
Office and equipment	50,566
Right of use assets	373,217
Prepaid expenses	13,013
Lease liabilities	(374,937)
Debt	(227,904)
	(199,556)
Identifiable intangible assets	
Recipes	195,157
Goodwill	564,396

Following the initial recognition, the intangible asset is carried at the initial fair value less accumulated amortization and impairment losses, if any. Amortization of intangible asset with finite lives is based on the estimated useful life of the asset and was recognized on a straight-line basis. The Company assesses the intangible asset for impairment at each reporting date and whenever there is an indication that the asset may be impaired.

6. SHARE EXCHANGE AGREEMENT

On November 5, 2021, the Company entered into a Share Exchange Agreement ("SEA") with The Good Flour Milling Corp. ("GFMC"), formerly VGAN Brands. Ltd. GFCO acquired 100% of the issued and outstanding common shares of the GFMC. At the time immediately before the share exchange, the Company did not meet the definition of a business under IFRS 3, therefore the share exchange was accounted for under IFRS 2, share based payments.

The principal terms of the SEA were as follows:

- GFCO listed its common shares on the Canadian Securities Exchange and delisted its Class A common shares from the TSX Venture Exchange.

- Each holder of the GFMC shares received one GFCO share for each GFMC share held as purchase consideration. The parties acknowledged and agreed that the fair market value of the consideration shares issued to the shareholders in exchange for the purchased shares was equal to $0.20, the fair market value of the purchased shares surrendered in exchange therefor, and such consideration shares represent the sole consideration received by the shareholders in exchange for the purchased shares.

(Expressed in Canadian Dollars)

6. SHARE EXCHANGE AGREEMENT (continued)

- Each holder of GFMC warrants received one replacement warrant representing the right to acquire one GFCO share on the same terms as the existing GFMC warrants for each GFMC warrant held. Subsequently, all GFMC warrants were cancelled.

- Each holder of options under the GFMC stock option plan received a replacement GFCO option that reflected the same terms as the existing GFMC options, following which all GFMC stock options were cancelled.

The excess between the deemed acquisition cost and the total fair value of identified assets and liabilities was $2,549,595 and was recorded as listing expense.

7. ACCOUNTS RECEIVABLE

		March 31, 2022		June 30, 2021
Trade receivables	$	97,496	$	70
Sales tax receivable		81,921		-
	$	**179,417**	**$**	**70**

8. PREPAID EXPENSES AND DEPOSITS

		March 31, 2022		June 30, 2021
Deposit for insurance	$	27,110	$	-
Deposits on leases		18,788		-
Purchase prepayments		1,789		
	$	**47,687**	**$**	**-**

9. INVENTORY

		March 31, 2022		June 30, 2021
Finished goods		10,000		-
	$	**10,000**	**$**	**-**

Products available for sale are carried at their net realizable value. Finished goods consist of food that has been mixed and packaged for shipment.

10. FIXED ASSETS

		March 31, 2022		June 30, 2021
Leasehold improvements	$	97,296	$	-
Food manufacturing & processing equipment		490,089		-
Office furniture & equipment		109,767		
Automobiles		8,132		-
		705,284		
Less: Accumulated Depreciation		(182,983)		
	$	**522,301**	**$**	**-**

(Expressed in Canadian Dollars)

11. INTANGIBLE ASSETS

		March 31, 2022		June 30, 2021
Recipes	$	195,157	$	-
Less: Accumulated Depreciation		(8,132)		
		$187,025	**$**	**-**

12. RIGHT OF USE ASSET

	$
Asset Balance at November 5, 2021	523,247
Accumulated Depreciation	(146,371)
Net Balance at November 5, 2021	376,876
Depreciation for the period	(59,911)
Balance at March 31, 2022	316,965
LEASE LIABILITIES	
Balance at November 5, 2021	379,702
Interest expense	9,526
Lease payments	(63,796)
Balance at March 31, 2022	325,432
Which consist of:	
Current lease liability	139,452
Non-current lease liability	185,980
	325,432

The Company's right-of-use asset and lease liability relate to the office and plant premises.

As at March 31, 2022 future payments required are as follows:

	March 31, 2022
	$
Payable not later than one year	139,452
Payable later than one year and not later than five years	185,980
	325,432

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2022		June 30, 2021
Accounts payable	$	**862,708**	$	**-**
Accrued liabilities		**80,232**		**120,066**
Accrued compensation		**49,335**		**-**
	$	**992,275**	**$**	**120,066**

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2022, the Company incurred the following related party transactions:

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the period ended March 31, 2022.

Key Management Compensation

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company. These amounts are unsecured, are non-interest bearing and have no fixed terms of repayment.

		For the nine months ended March 31,		
		2022		2021
		$	$	
Salary & management fees		154,250		
Consulting		144,450		-
Share-based compensation expensed		1,201,000		-
	$	**1,499,700**	**$**	**-**

The following amounts are payable and due to/from related parties:

		March 31, 2022		June 30, 2021
Due to directors and officers		361,250		-
Convertible debentures		466,177		
	$	**827,427**	**$**	**-**

a) During the period related party loans totaling $81,500 were repaid.
b) Included in due to directors and offices was $42,741 payable to a law firm in which the director has a partnership interest and is included in accounts payable and accrued liabilities in the financial statements.

15. LOANS PAYABLE

	March 31, 2022	June 30, 2021
CEBA Loan	55,224	-

The Company assumed Canada Emergency Business Account loans (“CEBA Loans”) through its mergers and acquisitions during the nine month period ending March 31, 2022 (notes 5 &6). The CEBA Loans bear 0% interest until December 31, 2023. If the balance is not paid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest paid monthly, commencing January 1, 2024. The Company anticipates repaying the loans before December 31, 2023.

The loans are carried at amortized cost based on an average market interest rate of 14%. During nine months ended March 31, 2022, interest accretion was $795 2020 - $nil).

16. CONVERTIBLE DEBENTURES

During the nine months ended March 31, 2022, the following transactions with convertible debentures occurred:

(a) The Company assumed convertible debentures totaling $281,951 as a part of the share exchange transaction (note 6). The debentures had a maturity date of 3 years bearing an interest at a rate of 10% per annum. The debentures were repaid by the Company on December 9, 2021. Finance costs for the period up to repayment were $6,730. There was a loss on settlement of $31,989.

(b) As a part of the business combination (note 5) the Company issued convertible debentures with a face value of $500,000. The notes bear no interest and are payable as follows:

(i) 12.5% of the principal sum on the date that is 3 months from the date of issuance (Nov 5)
(ii) 12.5% of the principal sum every 3 months thereafter; and
(iii) The final 12.5% on the date that is 24 months from the date of issuance.

On each vesting date the Seller will have the option to receive either their respective portion of cash or an amount equal to their respective portion in consideration shares. The exact number of common shares will be based on a price per share of $0.20

17. SHARE CAPITAL AND RESERVES

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued Share Capital

At March 31, 2022 there were 63,284,467 (June 30, 2021 – 34,000,000) issued and fully paid common shares.

(c) Share Issuances

The following common shares were issued during the nine month period ending March 31, 2022:

- On August 3,2021, 2,000,000 common shares were issued for $110,000.
- On October 29,2021 24,075,000 common shares were issued for $2,215,000
- On November 5, 2021, 3,209,468 common shares were issued for $641,894

The following common shares were issued during the year ended June 30, 2021:

- On March 31, 2021, 34,000,000 common shares were issued for $474,000

(d) Escrow shares

17. SHARE CAPITAL AND RESERVES (continued)

During the nine months ended March 31, 2022, 48,209 common shares were released from escrow and Nil common shares were deposited. The resulting balance of shares held in escrow as at March 31, 2022 is 54,078,752

(e) Stock Options

Options to purchase Common Shares may be granted to directors, consultants, officers and employees of the Company for terms up to five years at a price at least equal to the market price prevailing on the date of the grant.

The continuity of the stock options for nine months ended March 31, 2022 and the year ended June 30, 2021 is as follows:

	Options (thousands)	Weighted Average Exercise Price
Balance, June 30, 2021	$3,000,000	$ .20
Acquired in business combination (note 5)	193,050	5.04
Granted	6,850,000	.20
Cancelled	28,000	5.57
Balance, March 31, 2022	10,015,050	$ 1.44

On May 28, 2021, the Company executed a consulting agreement with a food products marketing consultant. The agreement provides for the consultant to be granted up to 3,000,000 incentive stock options to be vested on achieving certain milestones. None of the incentives had been earned as at March 31, 2022. The consulting agreement was subsequently cancelled on May 14, 2022.

On November 5, 2021 the Company granted 6,850,000 options to certain employee as a part of its compensation plan. The options vest over 5 years and are exercisable at $.20

On November 5, 2021 as a part of the share exchange agreement (note 6) the Company issued 193,050 stock options that have an average exercise price of $5.04

On February 5, 2022, 28,000 options with an average exercise price of 5.57 were cancelled.

During the nine months ended March 31, 2022, the fair value of the options has been estimated using the Black-Scholes Option Pricing Model assuming a risk-free rate of .73% with an expected life of 5 years, expected volatility of 73% and no expected dividend.

Details of options outstanding and exercisable at March 31, 2022 are as follows:

(Expressed in Canadian Dollars)

17. SHARE CAPITAL AND RESERVES (continued)

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Exercise Price	Remaining Life (Years)
13,050	13,050	$5.00	November 23, 2023	$5.00	2.15
26,500	26,500	$6.00	July 18, 2024	$6.00	2.80
125,500	125,500	$4.00	January 3, 2025	$4.00	3.26
3,000,000	-	$.20	May 28, 2026	$.20	4.33
6,850,000	1,040,000	$.20	November 5, 2026	$.20	4.83
10,015,050	1,205,050				

For the nine months ended March 31, 2022, the Company recorded stock-based compensation of $1,201,000 in respect of incentive stock options.

(f) Warrants

At March 31, 2022, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price	Weighted average remaining contractual life (years)
January 22. 2023	33,453	$3.90	1.0
March 31, 2026	34,000,000	$0.05	4.2
July 23, 2026	2,000,000	$0.15	4.5
October 29, 2026	24,075,000	$.25	4.8

18. DISCONTINUED OPERATIONS

On November 5, 2021, the Company entered into the SEA and GFCO acquired 100% of the issued and outstanding common shares of the GFMC (note 5). At the time of the SEA, the Company was in the process of liquidating the assets of its former business. During the nine month period ending March 31, 2022, the former business transactions have been classified as discontinued operations. The operating result of these discontinued operations are as follows:

Revenue	12,845
Loss on disposal of assets	120,684
Loss on remeasurement of assets	117,907
Net loss from discontinued operations	(225,746)

Revenues were from the sale of scooters. All revenues for the nine months ended March 31, 2022 from North America.

On January 1, 2022, the Company entered into an agreement with Raytroniks Corporation ("Raytroniks") and Willie Ray Norwood Jr. to transfer its legacy Scoot-E-Bike assets to Raytroniks. The assets include intellectual

(Expressed in Canadian Dollars)

18. DISCONTINUED OPERATIONS (continued)

property, Scoot-E-Bike inventory and the Company's ownership of Scoot-E-Bike Inc. In return, Raytroniks settled all debt claims owed to them by the Company. The agreement resulted in a loss $91,682.

On January 11, 2022, the Company entered into an asset purchase agreement with West Hall Tech Ltd. to sell assets including: scooter inventory including parts and components, all rights and logos held by the Company to the unregistered trademarks "LOOPShare" and "Loop Scooters" and the loopscooters.com domain name. In return, West Hall Tech Ltd. entered into a lease agreement with the Landlord at 131 Water Street, the Company's former premises and assumed responsibility for the disposal of the assets. The asset purchase resulted in a loss of $29,002.

During the nine months ending March 31, 2022, prepaid expenses and loans totaling $117,907 that were acquired on the SEA (note 5) were remeasured and written down to their realizable value of $nil.

19. REVENUES

Revenue for the nine months ended March 31, 2022 from the sales of dry food mixes and frozen food products totaled $297,696. All revenues for the nine months ended March 31, 2022 from North America.

20. EXPENSES BY NATURE

For the nine months ended March 31, 2022:

	General and administration	Sales and marketing
	$	$
Accounting and legal	496,758	-
Consulting	60,928	112,943
Listing fees	2,567,677	-
Office expenses	125,202	15,873
Personnel	208,505	-
Travel	28,362	-
	$ 3,487,433	$ 128,816

21. INCOME TAXES

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these financial statements and have been offset by a valuation allowance. No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit loss is the book value of its financial instruments. The Company's cash and cash equivalents is deposited with a major Canadian chartered bank and is held in highly-liquid investments. The Company's receivables consist of taxes receivable and other receivables which represents the maximum credit risk for receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2022, the Company had a cash balance of $2,391,158 (June 30, 2021 - $754,802) to settle current liabilities of $1,433,205 (June 30, 2021 - $120,066).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash is not subject to interest rate risk. The loan payable and convertible debentures are not subject to interest rate risk as they are a fixed rate. The Company is not exposed to other significant interest rate risk due to the short-term maturity of its monetary assets and liabilities and amounts owing being non-interest bearing or bearing fixed rates of interest.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's sales are in US dollars and the Company's manufacturing costs are largely denominated in US dollars, providing a natural hedge against the risk of foreign exchange fluctuations. However due to long lead times for parts used in manufacturing the Company's products, the Company is exposed to the risk of foreign currency fluctuations over time. The Company is also exposed to fluctuations in foreign currencies through its operations in Japan. The Company monitors this exposure but has entered into no formal hedge agreements.

As at March 31, 2022, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies.

(Expressed in Canadian Dollars)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	March 31, 2022		June 30, 2021	
	US Dollar	Japanese Yen	US Dollar	Japanese Yen
Cash	27,818	58,968	-	-
Accounts receivable	13,316	-	-	-
Accounts payable	23,008	14,720,800	-	-
Total	61,412	14,779,768	-	-

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

(d) Fair Value of Financial Instruments

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The carrying values of cash and cash equivalent, accounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair value given their short-term nature. The loan payable and convertible debentures are recorded at amortized cost. As at March 31, 2022 June 30, 2021, the Company's has no Level 3 instrument.

23. CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its investment growth strategy, fund research and development, engage in sales and marketing activities, and undertake selective acquisitions, while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is composed entirely of equity and short term loans. The Company uses capital to finance operating losses, capital expenditures, and increases in non-cash working capital. The Company currently funds these requirements from cash raised through share issuances and short-term debt as required. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity help build its business manufacturing and distributing a line of healthy, gluten-free and allergen free food products. t.

The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. In order to maximize flexibility to finance growth, the Company does not currently pay a dividend to holders of its common shares. The Company did not institute any changes to its capital management strategy during the year.

As at March 31, 2022, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic

23. CAPITAL MANAGEMENT (continued)

conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

24. SUBSEQUENT EVENTS

- 3,000,000 stock options were cancelled on May 14, 2022.